GILBERT
ARIZONA

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Planning Commission Staff Report

TO: **PLANNING COMMISSION**

FROM: **ASHLEE MACDONALD, AICP, SENIOR PLANNER**
(480) 503-6748, ASHLEE.MACDONALD@GILBERTAZ.GOV

am

THROUGH: **AMY TEMES, INTERIM PRINCIPAL PLANNER**
(480) 503-6729, AMY.TEMES@GILBERTAZ.GOV

MEETING DATE: **OCTOBER 24, 2018**

SUBJECT: **A. GP18-09: NEC WARNER AND RECKER ROADS - REQUEST FOR MAJOR GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE CLASSIFICATION OF APPROX. 124.8 ACRES OF REAL PROPERTY GENERALLY LOCATED AT THE NORTHEAST CORNER OF RECKER AND WARNER ROADS FROM 28.4 ACRES OF BUSINESS PARK (BP), 87.5 ACRES OF LIGHT INDUSTRIAL (LI) AND 8.9 ACRES OF COMMUNITY COMMERCIAL (CC) TO 15.3 ACRES OF RESIDENTIAL > 8-14 DU/ACRE (R>8-14DU/AC), 15.9 ACRES OF RESIDENTIAL > 5-8 DU/ACRE (R>5-8DU/AC), 85.4 ACRES OF RESIDENTIAL > 3.5-5 DU/ACRE (R>3.5-5DU/AC), AND 8.2 ACRES OF NEIGHBORHOOD COMMERCIAL (NC) LAND USE CLASSIFICATIONS.**
STRATEGIC INITIATIVE: Community Livability

Approval of this Major General Plan amendment will allow the landowner to develop a residential community.

RECOMMENDED MOTION

No motion requested; the special meeting of the Planning Commission is to receive public input and comments for GP18-09, NEC Warner and Recker Roads Major General Plan amendment on 124.8 acres, located at the northeast corner of Recker and Warner Roads. The Major General Plan amendment is scheduled for the November 5, 2018 regular Planning Commission hearing for a recommendation to Town Council

APPLICANT/OWNER

Company: Pew and Lake, LLC
Name: W. Ralph Pew
Address: 1744 S. Val Vista Dr. Ste. 217
Mesa, AZ 85204
Phone: 480-461-4670
Email: ralph.pew@pewandlake.com

Company: Recker and Warner LLC
Address: 17800 N Perimeter Dr. Ste. 210
Scottsdale, AZ 85255
Phone: 480-860-2000
Email: timgrant@simaz.com

BACKGROUND/DISCUSSION

History

Date	Description
Feb 3, 2003	Town Council annexed 156.24 acres with case A06-17 (Resolution No. 1793)
October 14, 2004	Town Council approved Z06-68 (Ord. No 1860) rezoning approximately 78.7 acres from Maricopa County Rural - 43 to Community Commercial and Business Park and Z07-72 (Ord. No 1861) rezoning approximately 77 acres from Maricopa County Rural – 43 to SF-D and MF/L with a PAD
November 17, 2009	Town Council approved case GP09-04 (Resolution No. 2996) changing the land use designation on 156 acres from Residential > 5-8 DU/Acre, BP, CC, GFC to Residential > 14-25 DU/Acre, CC, BP and LI and Z09-10 (Ordinance No 2261) rezoning 156 acres from SF-D, MF/L, BP and CC to MF/M, BP, CC, and LI with a PAD
June 28, 2012	Town Council approved GP12-02 (Resolution No. 3124) changing the land use designation on approximately 1.04 acres from LI, BP, and R>14-25 DU/Acre to Residential >14-25 DU/Acre and LI and Z12-03 (Ordinance No. 2378) rezoning approximately 34.1 acres from MF/M, BP and LI with a PAD to MF/M, BP and LI with a PAD to reconfigure the site.
July 19, 2012	Design Review Board approved DR12-07 approving the site plan, landscaping, and elevations for North Gateway Apartments (Liv Northgate)
September 17, 2013	Town Council approved a GP13-09 (Resolution No. 3195) and Z13-20 (Ordinance No. 2448) rezoning a portion of the Rockefeller Group North Gateway PAD from BP, LI and CC to BP, LI and CC
September 5, 2018	Planning Commission reviewed GP18-09 as a study session item.

The subject site is 124.8 gross acres located at the northeast corner of Recker and Warner Roads. The applicant is requesting a Major General Plan amendment to change the land use classification of approx. 124.8 acres from 28.4 acres of Business Park (BP), 87.5 acres of Light Industrial (LI) and 8.9 acres of Community Commercial (CC) to 15.1 acres of Residential > 8-14 DU/Acre , 15.3 acres of Residential > 5-8 DU/Acre , 85.5 acres of Residential > 3.5-5 DU/Acre and 8.9 acres of Community Commercial (CC) land use classifications in order to develop a residential master planned community. A rezoning application has been submitted; however it is still in staff review and will not run concurrent with this Major General Plan amendment request.

Surrounding Land Use & Zoning Designations:

	Existing Land Use Classification	**Existing Zoning**	**Existing Use**
North	Community Commercial, Residential > 14-25 Du/Acre and Residential > 2-3.5 Du/Acre	Multi Family/Medium (MF/M) and Single Family-Detached (SF-D) with a PAD	Liv Northgate Multi-family and Elliot Groves at Morrison Ranch single family residential
South	Community Commercial, Residential > 5-8 DU/Acre, Residential > 1-2 DU/Acre	Community Commercial (CC) and Single Family-Detached (SF-D) with a PAD and Maricopa County Airport District – 3 (AD-3)	Recker Road then Charter School, Residential and vacant land
East	Business Park (BP), Light Industrial (LI) and General Commercial (GC)	Business Park (BP), Light Industrial (LI) and General Commercial (GC) with a PAD	Vacant (Morrison Ranch Business Center)
West	Residential > 2-3.5 DU/Acre Residential > 3.5-5 DU/Acre	Single Family – 6 (SF-6) and Single Family – 10 SF-10) with a PAD	Recker Road then Vacant (Lakeview Trails at Morrison Ranch)
Site	Business Park (BP), Light Industrial (LI) and Community Commercial (CC)	Business Park (BP), Light Industrial (LI) and Community Commercial (CC) with a PAD	Vacant

General Plan

The amendment proposes to modify the land use classifications from non-residential land uses to residential land uses on an area greater than 40 acres; as such the proposal qualifies as a Major General Plan amendment. State law requires that major amendments to the General Plan be presented and considered by the Town Council at a single public hearing during the calendar year in which the proposed amendment is requested.

Applicants must demonstrate the merits of the proposed change as an improvement to or consistent with the General Plan. Two public hearings before the Planning Commission are required prior to Council action. In this first public hearing, staff is not seeking a recommendation, rather seeking input from the public. The Planning Commission will be asked to make a recommendation to Town Council at the November 5, 2018 Planning Commission Hearing.

The site is currently made of up of a combination of Business Park, Light Industrial and Commercial land use designations. The applicant is requesting an amendment to Residential > 8-

14 DU/Acre, Residential > 5-8 DU/Acre, Residential > 3.5-5 DU/Acre and Neighborhood Commercial (CC) to allow for the development of a residential master planned community as illustrated in the table below.

Land Use	**Existing Acres**	**Proposed Acres**	**Amount of change**
Business Park	28.4	0	-28.4
Light Industrial	87.5	0	-87.5
Community Commercial	8.9	0	-8.9
Neighborhood Commercial	0	8.2	+8.2
Residential > 8-14 DU/Acre	0	15.3	+15.3
Residential > 5-8 DU/Acre	0	15.9	+15.9
Residential > 3.5-5 DU/Acre	0	85.4	+85.4
	124.8	124.8	

A zoning application is under review and will brought before the Planning Commission should the Major General Plan amendment request be approved. The rezone application includes a range of zoning districts including Single Family-Attached (SF-A), Single Family-Detached (SF-D), Single Family – 6 (SF-6), Single Family – 7 (SF-7) and Neighborhood Commercial (NC). The applicant has included with their General Plan submittal a conceptual development plan, but staff would respectfully remind the Commission that this is conceptual in nature only.

The applicant has provided the following points, which are further elaborated upon in the applicant's attached executive summary and narrative, as the rationale for the request:

- This property is an anomaly in the Power Road Growth Area and is inappropriately shown within the boundaries of the Gateway Employment Corridor targeted by the Town's Economic Development Department. Specifically the property a) is one-half mile to a mile west of Power Road and has no Power Road frontage or access, b) is surrounded by Residential uses on three sides and two schools at the intersection of Recker and Warner Roads, and c) is not within the symmetrical alignment of Power Road Growth Area land.
- Lack of Freeway visibility or access to transportation nodes.
- LI and BP uses are incompatible with the existing residential development in the area.
- This property lacks proximity to the kind of utilities that are required for modern industrial development.
- The property is at an economically competitive disadvantage from other BP and LI properties in the Town and Region.

The applicant has also prepared a market analysis to support their request; this study has been included in the attachments.

Staff provides the following information related to the requested Major General Plan amendment:

- The subject site is within the Power Road Growth Area as shown on the adopted General Plan map. Per the General Plan *"The Phoenix-Mesa Gateway Airport, directly to the east, is the catalyst for development within this area. With quick transportation access to the*

Santan Freeway and the Power Road Corridor, the focus of this Growth Area is industrial and business park employment supported by commercial shopping centers." The existing zoning and General Plan designations support the vision of this growth area and are consistent and compatible with surrounding land use designations and development patterns. The proposed amendment to residential would clearly not be consistent with the Power Road Growth Area.

- The applicant asserts that the existing land use classifications are incompatible with the surrounding residential development and that the proposed residential land use designations would be more compatible with the adjoining land uses to the north of Residential > 14-25 DU/Acre and Residential > 2-3.5 DU/Acre. However, the subject site, including the multi-family development that exists today was approved and intentionally designed as part of the Rockefeller Group North Gateway PAD (Z09-10 and Z12-03), which included a significant amount of Business Park and Light Industrial land use designations and zoning districts. The Rockefeller Group North Gateway PAD addressed setback, landscape buffer and landscape planting requirements between the employment and multi-family land uses within the PAD and also required a 60' landscape buffer along the northern PAD boundary. Because these employment land uses are vital to the Power Road Growth Area, considerable thought was put into the Rockefeller Group North Gateway PAD with regards to compatibility of the employment land use and adjacent residential development. Staff would disagree with the applicant's assertion that it is incompatible with the existing residential development.

- Residential development immediately adjacent to the subject site exists only along the northern boundary. The existing Morrison Ranch residential community has provided an approximately 55' wide buffer along the southern boundary of the site where it adjoins Business Park. Recker and Warner Roads bound the property on the south and west. These existing arterial roadways, once fully constructed will provide considerable separation from residential development with a planned width of 140'. Immediately to the east lies vacant land with Business Park, Light Industrial and General Commercial land use designations.

- The request to modify the land use designation on the subject site would not only significantly reduce employment opportunities within the Power Road Growth Area by reducing the total acreage of Business Park and Light Industrial by 115.9 acres, but a change to residential would further impact the remaining Business Park and Light Industrial land uses to the east. Side and rear setbacks to residential uses in the Light Industrial district are 75 feet, as opposed to a zero foot side and rear setback when adjacent to other employment uses. Similarly, side and rear setbacks for the adjoining employment land uses would increase from zero feet adjacent to an employment use to 25 feet adjacent to a residential use. These increased setbacks would result in a loss of approximately 113,035sf (2.59 acres) of developable land area in the remaining Business Park and Light Industrial land uses to the east.

- As illustrated in the chart below the majority of the town is comprised of single-family residential with a total of 2,885 vacant acres of single family residentially zoned property that the applicant could pursue for the proposed development. There has not been a compelling argument made for why this development must locate on this property. The table below also clearly demonstrates the value of employment lands in the town with only 6% of the Town zoned with Employment zoning districts.

Zoning District	Vacant Acreage (%)	Non-Vacant Acreage (%)	Total %
Total Single-Family Residential	2,885.7 (8.03%)	21,426.12 (59.6%)	67.63
SF-7	187.75 (0.52%)	4,587.87 (12.76%)	13.28
SF-6	156.9 (0.44%)	5,882.02 (16.36%)	16.8
SF-D	311.79 (0.87%)	2360.53 (6.57%)	7.44
SF-A	27.66 (.08%)	154.65 (0.43%)	.51
Total Employment (GI, LI, BP)	962.19 (2.68%)	1,351.86 (3.76%)	6.44
Light Industrial	565.58 (1.57%)	928.49 (2.58%)	4.15
Business Park	388.74 (1.08%)	203.13 (0.57%)	1.65

- In conclusion, the preservation of employment land uses is critical to the long term resiliency and sustainability of the Town. With its proximity to the Santan Loop 202 Freeway, Phoenix-Mesa Gateway Airport and a large employment hub under study within the City of Mesa the subject site remains a valued employment area for the Town. The applicant has indicated that efforts to develop this site under the current land use designations have been unsuccessful but fails to acknowledge the "Great Recession" that occurred during these efforts. This area is just beginning to see employment growth. An amendment at this time would essentially eliminate future job growth that is vital to our community and would add more residential even though the ample residential land uses already exist and remain undeveloped to date.

PUBLIC NOTIFICATION AND INPUT

A neighborhood meeting was held on May 8, 2018 at 6:00PM at Highland Park Elementary School. Approximately 5 residents attended the meeting. The residents asked questions regarding improvements to Warner Road, increased traffic, expected price of homes, access between the new community and existing. Developer responded they will be required to improve Recker and Warner Roads in front of the property. The developer also indicated they are expecting homes starting in the $250,000s for the condos and the high $300,000s for the single family homes. Finally the developer indicated that they do plan to provide access between the existing Morrison Ranch community to the north and the proposed development.

60 DAY REVIEW PERIOD

As part of the major General Plans processing requirement, a 60 day public review period is provided to allow all referral agencies, departments and interested persons to review and provided comments on Major General Plan Amendments. The Major General Plan application has been referred to the following agencies with comments (if any) noted:

- Arizona Department of Commerce; No comments received to date
- Arizona Department of Transportation; **Due to the parcels proximity to the 202L, the proposed development may have an impact on the highway's access control**.
- Arizona Department of Water Resources; No comments received to date
- APS; No comments received to date
- Arizona State Parks, Historic Preservation Office; No comments received to date
- City of Chandler; No objection or concerns
- SRP; No comments received to date
- Town of Queen Creek; No comments received to date
- Gila River Indian Community; No comments received to date
- Gilbert Chamber of Commerce; **Chamber will review this item at their 10/25/18 meeting and provide comments prior to the 11/5 Planning Commission hearing**
- Gilbert Public School District; No comments received to date
- Higley School District; No comments received to date
- Chandler School District; No comments received to date
- Maricopa County; No comments received to date
- Maricopa Association of Governments; No comments received to date
- Phoenix-Mesa Gateway Airport; **Located with Airport Overflight Area III Site will be subject to frequent aircraft overflights and affected by noise.**
- Pinal County; No comments received to date
- Union Pacific Railroad; No comments received to date.

SCHOOL DISTRICT

Staff has solicited feedback from the Higley Unified School District regarding the proposed General Plan amendment and rezone request to ensure that adequate educational facilities are maintained for the neighborhood. To date, no comments have been received.

PROPOSITION 207

An agreement to "Waive Claims for Diminution in Value" pursuant to A.R.S. § 12-1134 was signed by the landowners of the subject site, in conformance with Section 5.201 of the Town of Gilbert Land Development Code. This waiver is located in the case file.

PLANNING COMMISSION STUDY SESSION

At the Planning Commission Study Session on September 5, 2018 the following feedback was provided:

- There was concern with the loss of employment for residential given the amount of residential that exists, although the design itself is acceptable.
- Given the proximity of the property to the airport, retaining the employment would allow the Town to compete with Mesa.
- There is not a lot of this type of employment in the Town compared to residential.
- This area hasn't developed as once thought and Recker Road a quiet street and not a major development area like Power Road.

RECOMMENDED MOTION

No motion requested; the special meeting of the Planning Commission is to receive public input and comments for GP18-09, NEC Warner and Recker Roads Major General Plan amendment on 124.8 acres, located at the northeast corner of Warner and Recker Roads. The Major General Plan amendment is scheduled for the November 5, 2018 regular Planning Commission hearing for a recommendation to Town Council

Respectfully submitted,

Ashlee MacDonald

Ashlee MacDonald, AICP
Senior Planner

Attachments and Enclosures:

1) Notice of Public Hearing
2) Aerial Photo
3) Land Use Exhibit
4) Minutes from the Planning Commission Study Session of September 5, 2018
5) Correspondence from Phoenix-Mesa Gateway Airport
6) Applicants Narrative with Conceptual Development Plan
7) Applicant's Market Analysis
8) Town of Gilbert Market Analysis

Notice of Public Hear

PLANNING COMMISSION DATE: *Wednesday, October 24, 2018* TIME: 6:00 PM*

LOCATION: Southeast Regional Library
Shakespeare Assembly Room
775 N. Greenfield Road
Gilbert, Arizona 85234

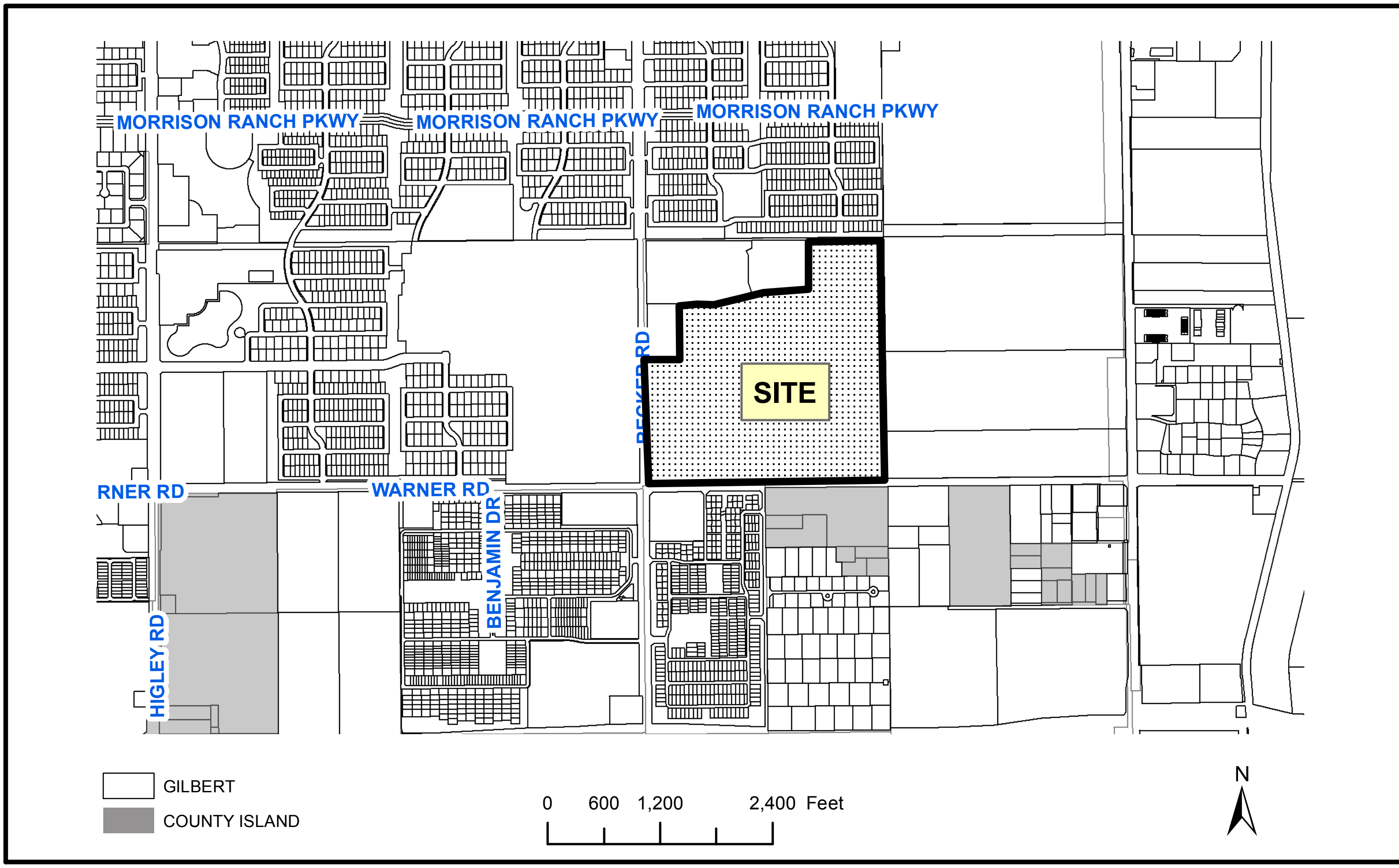
*** Call Planning Department to verify date and time: (480) 503-6748**

* The application is available for public review at the Town of Gilbert Development Services division Monday - Thursday 7 a.m. - 6 p.m. Staff reports are available prior to the meeting at http://www.gilbertaz.gov/departments/development-services/planning-development/planning-commission and http://www.gilbertaz.gov/departments/clerk-s-office/boards-commissions/town-council

REQUESTED ACTION:

GP18-09: NEC Warner and Recker Roads - Request for Major General Plan amendment to change the land use classification of approx. 124.8 acres of real property generally located at the northeast corner of Recker and Warner Roads from 28.4 acres of Business Park (BP), 87.5 acres of Light Industrial (LI) and 8.9 acres of Community Commercial (CC) to 15.3 acres of Residential > 8-14 DU/Acre (R>8-14du/ac), 15.9 acres of Residential > 5-8 DU/Acre (R>5-8du/ac), 85.4 acres of Residential > 3.5-5 DU/Acre (R>3.5-5du/ac), and 8.2 acres of Neighborhood Commercial (NC) land use classifications.

SITE LOCATION:

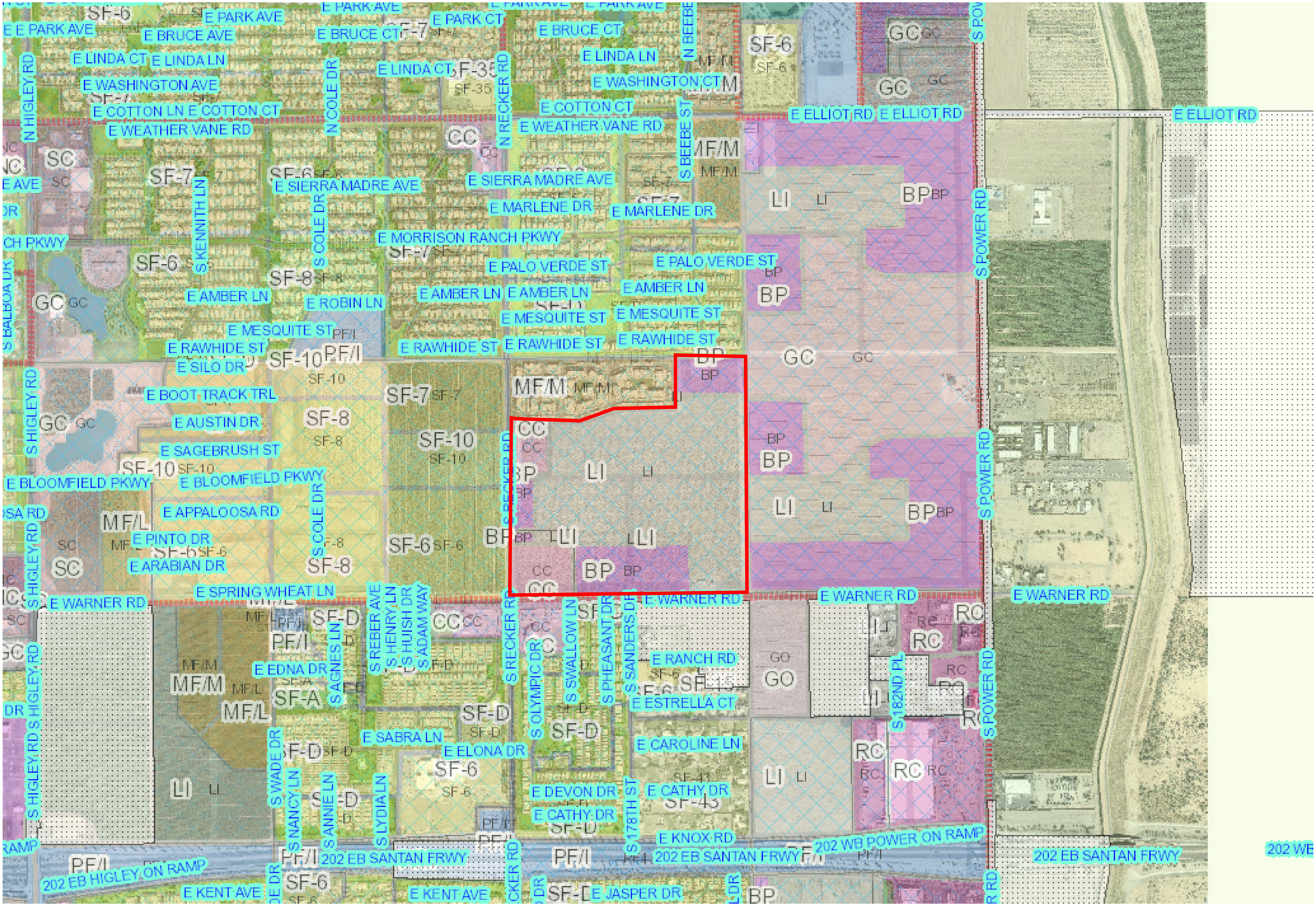


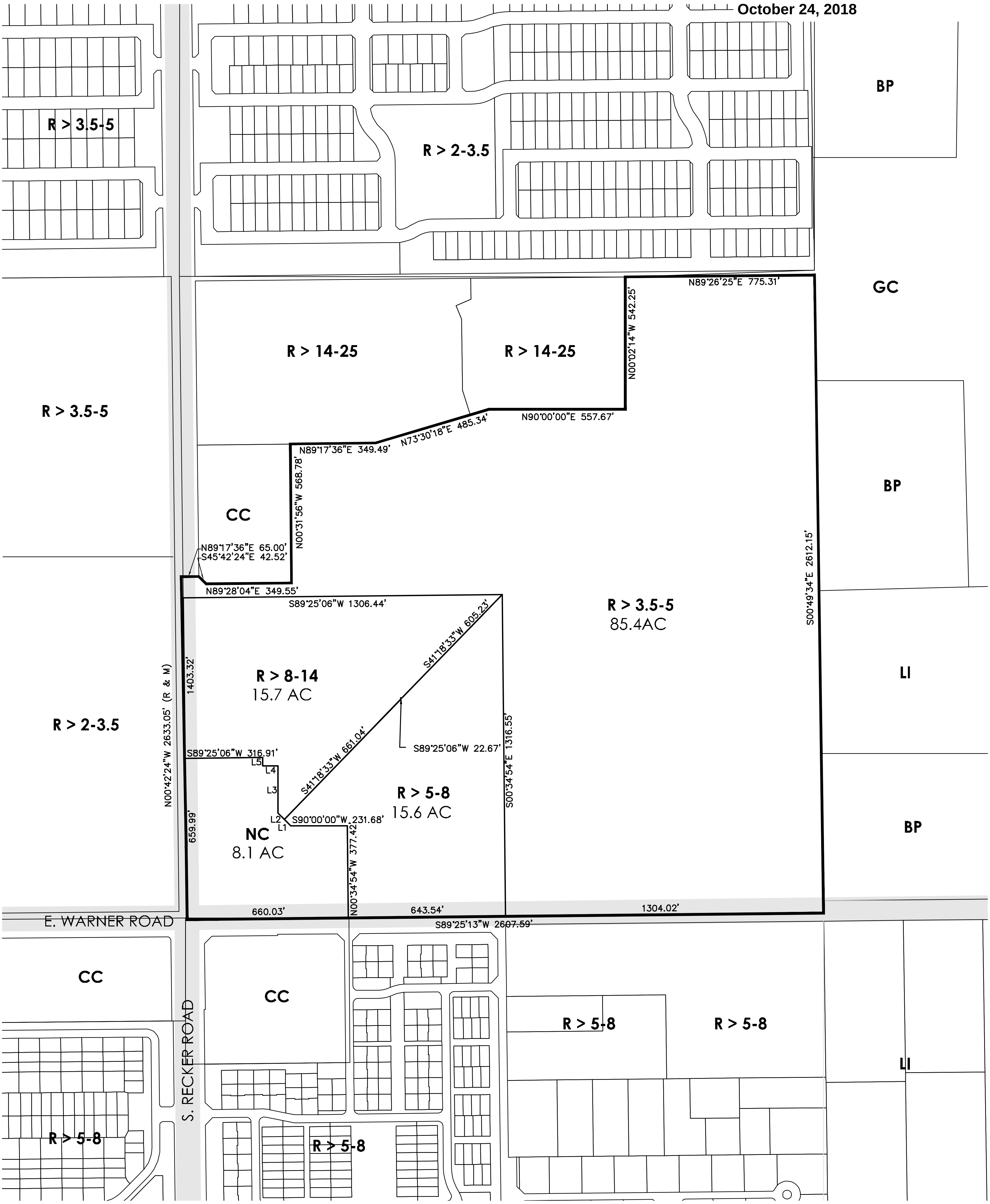
APPLICANT Pew & Lake PLC
CONTACT: W. Ralph Pew
ADDRESS: 1744 S. Val Vista Dr., Ste. 217
Mesa, AZ 85204

TELEPHONE: (480) 461-4670
E-MAIL: ralph.pew@pewandlake.com

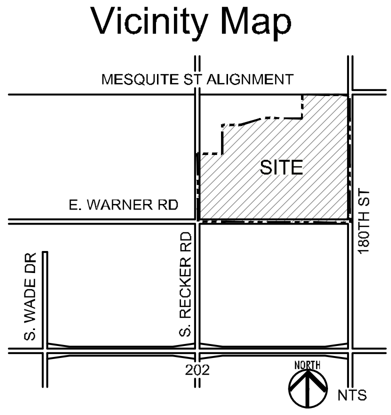
GP18-09 NEC Warner and Recker Roads
Attachment 2: Aerial Photo
October 24, 2018

GP18-09
NEC Warner and Recker Roads





Vicinity Map



Line Table

Line #	Description
L1	N45°27'16"W 36.92'
L2	N45°27'16"W 37.40'
L3	N00°00'00"E 192.16'
L4	N90°00'00"W 62.76'
L5	N00°00'00"W 34.79'

Project Data Table

Designation	Existing (Ac)	Proposed (Ac)	Difference (Ac)	Proposed %
LI	87.5 Ac	0 Ac	-87.5 Ac	0%
BP	28.4 Ac	0 Ac	-28.4 Ac	0%
CC	8.9 Ac	0 Ac	-8.9 Ac	0%
NC	0 Ac	8.1 Ac	+8.1 Ac	6.5%
R>8-14	0 Ac	15.7 Ac	+15.7 Ac	12.6%
R>5-8	0 Ac	15.6 Ac	+15.6 Ac	12.5%
R>3.5-5	0 Ac	85.4 Ac	+85.4 Ac	68.4%
Total	124.8 Ac	124.8 Ac		100%

LVA
an RVi Company

land planning
development entitlements
landscape architecture
120 south ash avenue
tempe, arizona 85281
480.994.0994

WARNER AND RECKER
PROPOSED GENERAL PLAN

NORTH
0 200 400 800
GRAPHIC SCALE
1" = 400'

18000536 DRAWN BY: PR 09/27/18

Commission those have been scheduled for October 24 at the Southeast Regional Library and on November 5 at the Commission's Regular Meeting. She also informed the Commission that a Town Council action has to be made by the end of the calendar year on any General Plan Amendment. She finished her presentation and asked for input from the Commission.

Question: Joshua Oehler asked how they are looking to access the Business Park, since everything else is accessed from residential.
Answer: Ashlee MacDonald said that had been one of Staff's initial comments. Staff had requested the applicant provide a Development Plan with their zoning application, which would show how all of these land uses would work together. However, she said as they have worked through the process, the applicant has expressed that, while they could go through that exercise to show Staff something on paper, they are not at a point where they know users that will be there or how those access points will be developed on the site. She said they may come back at a future date to do the PAD as they look to develop the site. She said they have submitted a Traffic Study that shows access points off of the main road. However, right now she doesn't believe that Commissioner Oehler's question can be answered.

Comment: Joshua Oehler said he can understand not doing a full layout, but just was suggesting a very basic blocking of the development could be done. He said his issue is they are expanding the Regional Commercial, which is a good idea, but it is a heavy use for the zoning in the Town. He said this would be bisecting it to get to that Business Park or they would bisect the Multi-Family to get there. He said it would seem more logical for Business Park to have a closer entrance off of the Santan Freeway, so he thinks they are looking to get a little extra zoning on the Regional Commercial that might not be needed and instead they could be bringing out the Business Park to the main corridor.

Comment: David Cavenee said he appreciates Commissioner Oehler's comments. He said he always prefers that a plan be attached to a Zoning and General Plan change. He said without it, they don't know if it will all lay out in an organized way. He said he is a bit troubled about making these changes. He said he is also concerned about the Regional Commercial, noting that with their current mixed rules, that could be Multi-Family/ High (MF/H) before they know it. He said he would be concerned that the frontage could turn to that if they approve this as is. He said he is concerned that this request doesn't come with a plan.

Keith Newman had some technical difficulties with his presentation, so Chair Sippel told the audience that they would move on to Item 4 on the agenda and come back to Item 3.

4. **GP18-09, NEC WARNER AND RECKER ROADS: REQUEST FOR MAJOR GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE CLASSIFICATION OF APPROX. 124.8 ACRES GENERALLY LOCATED AT THE NORTHEAST CORNER OF RECKER AND WARNER ROADS FROM 28.4 ACRES OF BUSINESS PARK (BP), 87.5 ACRES OF LIGHT INDSUTRIAL (LI)**

AND 8.9 ACRES OF COMMUNITY COMMERCIAL (CC) TO 15.1 ACRES OF RESIDENTIAL > 8-14 DU/ACRE , 15.3 ACRES OF RESIDENTIAL > 5-8 DU/ACRE , 85.5 ACRES OF RESIDENTIAL > 3.5-5 DU/ACRE AND 8.9 ACRES OF COMMUNITY COMMERCIAL (CC) LAND USE CLASSIFICATIONS.

Planner Ashlee MacDonald began her presentation on GP18-09, NEC Warner and Recker Roads. She shared a Vicinity Map, noting the existing uses surrounding the site. She told the Commission that this was also a Major General Plan Amendment and would follow the same process as the previous case. She said this case and the last case would be coming forward at Public Hearings together. She said the site is 124.8 acres and is currently comprised of Business Park, Light Industrial and Community Commercial (CC) land uses. She said it was important to note, that when these land uses were proposed, this was part of the Rockefeller North Gateway PAD, which included the Liv Northgate Multi-Family property that is carved out of this. Planner MacDonald stated that as part of their request, the applicant is looking to reconfigure the Community Commercial. She said they are keeping the same acreage, but reconfiguring it and introducing the Residential land use categories of Residential > 8-14 DU/Acre, Residential > 5-8 DU/Acre and Residential > 3.5-5 DU/Acre. She showed the Existing General Plan Land Use Map, noting that the site is primarily intended for employment land uses. She said this site is located within the Power Road Growth Area. She said this corridor focuses on Industrial and Business Park employment, supported by Commercial Shopping Center. She said this area hasn't seen a lot of development of their employment uses to date, but Staff does anticipate that as the airport and the development along the freeway continues on, that growth will begin to happen in this area. She said the applicant is proposing to change the land use designation from those employment land uses to residential. She said the applicant has broken up a few different land use categories to incorporate a multitude of products. She pointed out the employment land use designation to the east. She said Staff has some concern with the loss of employment on the 124 acres and is concerned about what it would mean to the site to change the land use designation to residential and the effect it might have on the employment designation to the east. She said Staff is concerned about the viability of the sites to the east if this site were to move to residential. She said the applicant has provided a Conceptual Development Plan. She said the applicant will be submitting an application for a Rezoning and the Commission will be seeing that in conjunction with the General Plan as the project moves forward. She said the question before the Commission is if this land use makes sense at this location. She again reviewed the process for a Major General Plan Amendment. She finished her presentation and asked for input from the Commission.

Comment: Joshua Oehler said he is glad the Town has concerns about losing employment since this is the Power Road Growth Corridor. He said they have a lot of residential, and at this point, he would be a little worried to give up this kind of employment base for residential. Regarding the layout itself, he said it looks nice and looks like they are trying to tie to the commercial on the corner and bring it into the space and have some walkability. He thinks the design itself is an acceptable one, but he doesn't think the zoning request is quite in line with what the Town considers best at this location.

Comment: David Cavenee said he agrees with Commissioner Oehler. He said he understands that given the current state of online living, that more homes and less commercial may be a trend they may be seeing more of in the future, but to give up this much at one time, seems troubling to him. He said he would encourage Staff to step back and evaluate what else is in the area to support the residential. He said he is sensitive and appreciative to the market studies that have been done, which suggest that the commercial emphasis is not able to develop right now, but he would have trouble giving all of this up with one change.

Comment: Carl Bloomfield said it seemed like they had a discussion several months ago about the airport and the impact it would have on the area. He said at that time, they really appreciated that they had this land available for this type of development so they could compete with Mesa, since they would be in close proximity to the airport. He said he agrees with the previous two Commissioners that this would be an aggressive step that he wouldn't be in support of.

Comment: Brian Johns said he agrees with what he has heard tonight. He said there isn't a lot of this type of employment area left in the Town, but they have a lot of residential.

Question: Chair Sippel asked if the Chamber has had a chance to look at this proposed change yet.
Answer: Ashlee MacDonald said they plan to make a presentation to the Chamber later this month. She said the Chamber has received the materials, but have asked that Planning Staff come in and provide additional information.

Comment: Chair Sippel said he spends a lot of time up and down Recker and he knows it well. He said that Recker is not, but Power is a major development area. He said Recker is a bedroom street and the Commercial did not develop like they might have thought it would and there is no freeway access directly to the area. He said it is referred to as "school row" because there are 22 schools on Recker Road. He said he could see this case either way. He said they would be losing all the future commercial they could have on Recker Road, but he said it is all residential there anyway and everything that runs north and south from this piece is residential. He said this area hasn't turned out to be doctor's offices and small businesses that the Town originally imagined. However, he said he is a big fan of following the Chamber's recommendations on this because this is a coveted piece of commercial and every time they make a change like this, they lose some of that future tax base. He said he feels differently than his colleagues and is initially agreeable to what they are proposing, but would be interested in hearing what the Chamber has to say.

Comment: Seth Banda said he understands both sides. He understands the value of safeguarding commercial land, but he said that he was glad that Chairman Sippel had called attention to the fact that Recker is a very quiet street. He said this area is comprised of a lot of Morrison Ranch and he has seen commercial areas that have seemed very slow and quiet. He said he is cautious and understands the concern about giving away potential commercial uses, but he said it also might be a good idea to keep the same feel of the Recker area.

5. **GP18-10, VERDE AT COOLEY STATION: REQUEST FOR MINOR GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE CLASSIFICATION OF APPROX. 21.95 ACRES GENERALLY LOCATED AT THE SOUTHWEST CORNER OF RECKER AND WILLIAMS FIELD ROADS FROM 9.75 ACRES OF BUSINESS PARK AND 12.20 ACRES OF RESIDENTIAL > 14-25 DU/ACRE LAND USE CLASSIFICATIONS TO 11.2 ACRES OF VILLAGE CENTER, 9.69 ACRES OF BUSINESS PARK AND 1.06 ACRES OF RESIDENTIAL > 14-25 DU/ACRE LAND USE CLASSIFICATIONS.**

   Z18-20, VERDE AT COOLEY STATION: REQUEST TO AMEND ORDINANCE NOS. 1900 & 2179 PERTAINING TO THE COOLEY STATION RESIDENTIAL, OFFICE, AND SHOPPING CENTER PLANNED AREA DEVELOPMENT (PAD-ROS), AND ORDINANCE NO. 1995 PERTAINING TO THE COOLEY STATION VILLAGE AND BUSINESS CENTER PLANNED AREA DEVELOPMENT BY REMOVING APPROX. 57.16 ACRES CONSISTING OF 15.00 ACRES OF GATEWAY VILLAGE CENTER (GVC), 17.13 ACRES OF GATEWAY BUSINESS CENTER (GBC), AND 25.03 ACRES OF MULTI-FAMILY/MEDIUM (MF/M), ALL WITH A PLANNED AREA DISTRICT OVERLAY (PAD), GENERALLY LOCATED ON THE SOUTHWEST CORNER OF RECKER AND WILLIAMS FIELD ROADS; APPROVING THE DEVELOPMENT PLAN FOR THE VERDE AT COOLEY STATION PAD; AND CHANGING THE ZONING CLASSIFICATION OF SAID REAL PROPERTY FROM 15.00 ACRES OF GATEWAY VILLAGE CENTER (GVC), 17.13 ACRES OF GATEWAY BUSINESS CENTER (GBC), AND 25.03 ACRES OF MULTI-FAMILY/MEDIUM (MF/M) ZONING DISTRICTS, ALL WITH A PLANNED AREA DEVELOPMENT OVERLAY TO 26.21 ACRES OF GATEWAY VILLAGE CENTER, 17.06 ACRES OF GATEWAY BUSINESS CENTER AND 13.89 ACRES OF MULTI-FFAMILY/MEDIUM (MF/M) ZONING DISTRICT, ALL WITH A PAD OVERLAY.

Stephanie Bubenheim began her presentation on GP18-10 and Z18-20, Verde at Cooley Station. She said it was for a Minor General Plan Amendment and a Rezoning request for Verde at Cooley Station. She shared the location of the site at the southwest corner of Williams Field and Recker Roads. She said it is a part of Cooley Station and part of the Gateway Character Area. She said the Minor General Plan Amendment request is to change the land use classification of approximately 21.95 acres. The request is to reconfigure the layout of the Business Park / Village Center and the Residential > 14-25 DU/Acre. She pointed out that those areas were

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

July 18, 2018

Ashlee MacDonald
Town of Gilbert
Planning Services Division
90 East Civic Center Drive
Gilbert, AZ 85296

Re: ***(GP18-09) Lennar Homes***
Description: ***Major General Plan Amendment***
Location: ***NEC of Recker & Warner Roads***

Dear Ashlee:

Thank you for this opportunity to review this request. It is our understanding that this project is requesting a Major General Plan Amendment from BP, LI & CC to CC and residential classifications R>8-14, R>5-8 and R>3.5-5 of 125± acres on the northeast corner of Recker and Warner Roads.

This site is within the recently updated Airport Overflight Area (AOA) III and a portion within the Part 77 area as identified in Phoenix-Mesa Gateway Airport Authority's (PMGAA) 2017 Airport Land Use Compatibility Plan Update. **Any development at this location, due to its proximity to Phoenix-Mesa Gateway Airport (the Airport) will be subject to frequent aircraft overflights and will be affected by noise. Occupants will hear and see aircraft landing and taking off from the Airport and will experience aircraft overflights that generate noise levels considered by many to be "annoying"**.

The Airport supports the current General Plan classifications on the subject parcel(s) as they are compatible with airport operations. However, the Airport would recommend the following conditions below as a part of any motion for approval of the Amendment:

1- Any proposed permanent, or temporary, structure is subject to an FAA filing for review in conformance with CFR Title 14 Part 77 (Form 7460) to determine any effect to navigable airspace and air navigation facilities.

For any new residential development within AOA III the Airport recommends the following conditions as a part of any motion for approval:

2- A fair disclosure agreement and covenant, which would include the following disclosure, should be recorded as a condition of development approval: "This property, due to its proximity to Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals. The mix of aviation activities and types of aircraft expected to be located and operate at the Airport now and in the future include: scheduled and unscheduled commercial charters, commercial air carriers and commercial air cargo operations, all of which are expected to use large commercial aircraft; general aviation activity using corporate and executive jets, helicopters, and propeller aircraft; aviation flight training schools using training aircraft; and military activity using high performance military jets. The size of aircraft and frequency of use of such aircraft may change over time depending on market and technology changes."

3- All final subdivision plats and public reports filed with the Arizona Department of Real Estate should include the notice described in Condition 2 above.

4- Sales and leasing offices established for new subdivisions and residential development projects should provide notice to all prospective buyers and lessees stating that the project is located within an Aircraft Overflight Area. Such notice should consist of a sign at least 4-foot by 4-foot installed at the entrance to the sales office or leasing office at each project. The sign should be installed prior to commencement of sales or leases and should not be removed until the sales office is permanently closed or leasing office no longer leases units in the project. The sign should state the disclosure in Condition 1 with letters of at least one (1) inch in height.

Thank you for the opportunity to comment on this proposal. If you have any questions, please contact me at (480) 988-7649.

Sincerely,

Anthony Bianchi

Anthony Bianchi, A.A.E.
Airport Planner

Attachment
1- Recorded Avigation Notice & Public Airport Disclosure Map

Cc: Bob Draper, Engineering & Facilities Director, PMGAA

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
ADRIAN FONTES
20170301390 04/27/2017 10:12
KIOSK RECORDING

0361408-4-1-1
yorkj

AVIGATION NOTICE

DO NOT REMOVE

This is part of the official document

When Recorded Return To:

Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Attn: Engineering & Facilities

For Recorder's Use

Avigation Notice

Phoenix-Mesa Gateway Airport Overflight Area

All of the real property (the "Property") described in "Exhibit A" attached to this Notice, lies within the boundaries of the Phoenix-Mesa Gateway Airport (or the "Airport") Overflight Area. This Notice and exhibit satisfies the requirements of Arizona Revised Statutes (A.R.S.) Sections 28-2485 and 28-2486, and is intended to provide public disclosure regarding the characteristics of the flight operations in the vicinity of the Airport and to provide notice to property owners regarding those activities. Therefore, the Airport hereby discloses and provides notice of the following:

A. Background:

Williams Air Force Base was established in 1941 and became Williams Gateway Airport after the base closure in 1994, and presently serves as a reliever airport for Phoenix Sky Harbor International Airport. The Airport was later renamed Phoenix-Mesa Gateway Airport shortly after commercial airline service began, in order to provide a clearer geographic reference for the Airport. The Airport currently has three (3) parallel runways, each around two miles in length that can accommodate nearly any size of aircraft, and approximately 1,000 vacant acres available for additional growth and development.

B. Operational Characteristics:

Phoenix-Mesa Gateway Airport is currently one of the busiest airports in the United States in terms of takeoffs and landings ("Operations") with approximately 250,000-300,000 annual Operations. The 2017 Phoenix-Mesa Gateway Airport Land Use Compatibility Plan Update determined an annual service volume, or reasonable capacity of Operations, of 498,000 Operations. The Airport is open twenty-four hours a day, so Operations may occur at any hour of the day or night.

Property within the boundaries of these overflight areas, due to its proximity to Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels and frequency that may be of concern to some individuals. The mix of aviation activities and types of aircraft expected to be located and operate at the Airport now and in the future include: Scheduled and unscheduled commercial charters, commercial air carriers and commercial air cargo operations, all of which are expected to use large commercial aircraft; general aviation activity using corporate and executive jets, helicopters, and propeller aircraft; aviation flight training schools using training aircraft; and military activity using high performance military jets. The size of aircraft and frequency of use of such aircraft may change over time depending on market and technology changes.

C. Phoenix-Mesa Gateway Airport Master Plan:

Phoenix-Mesa Gateway Airport has an Airport master plan that is updated periodically. The master plan provides information on future plans for the Airport. Over the long-term, aircraft operations and the utilization of the Airport is expected to increase. The current Airport master plan is available for review at the Airport's administrative office, located at 5835 South Sossaman Road in Mesa, or on the Airport's website (gatewayairport.com).

D. Public Right of Transit:

The property included in Exhibit A is subject to regulations under title 49 of United States Code, revised sections 40102 and 40103 (as amended), and 14 Code of Federal Regulations (CFR) Section 91.119, including airspace needed to ensure safety in the takeoff and landing of aircraft and the public right of transit through navigable airspace.

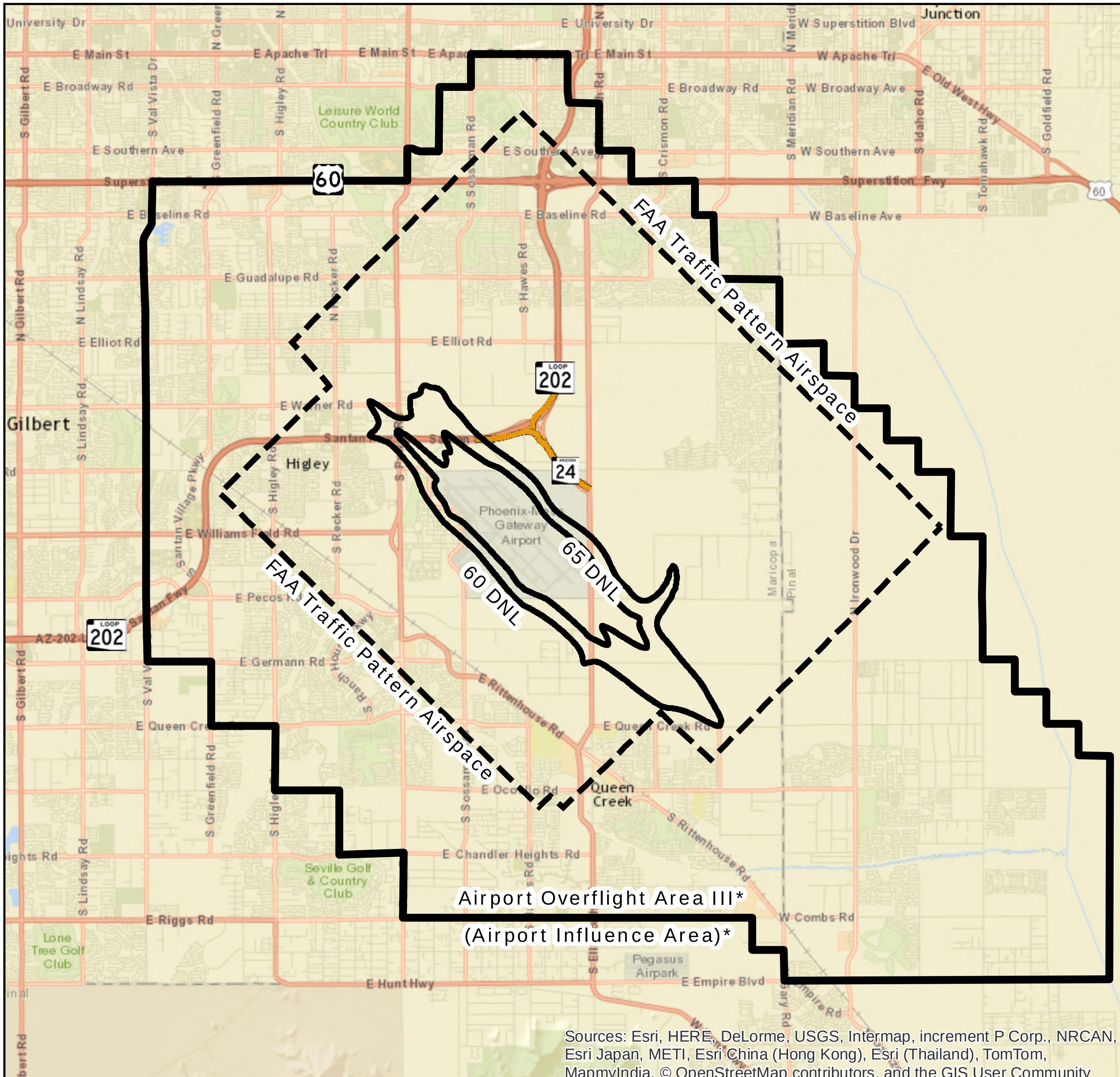
E. Public Airport Disclosure:

Exhibit A, the current disclosure notice and map to prospective purchasers, follows the State of Arizona guidelines regarding properties underlying the typical flight patterns for Phoenix-Mesa Gateway Airport. The Public Airport Disclosure Map is prepared in accordance to A.R.S. Sections 28-8485 and 28-8486, and generally depicts areas of aircraft overflights or aircraft operations. Public Airport Disclosure Maps are available from the Arizona Department of Real Estate's main office and website, currently at – 2910 North 44th Street, Suite 100, Phoenix, AZ 85018, and http://www.re.state.az.us/airportmaps/publicairports.aspx .

The Airport shall duly record this Notice in the Office of the County Recorder of Maricopa County.

By: RJ Draper ____________________ 2/21/2017
Date

R.J. Draper, P.E.
Engineering & Facilities Director
Phoenix-Mesa Gateway Airport Authority



Phoenix-Mesa Gateway Airport

PUBLIC AIRPORT DISCLOSURE MAP

EXHIBIT A

LEGEND

Day-Night Level (DNL) Noise Contour / Airport Overflight Area Boundary

FAA Traffic Pattern Airspace Boundary

NOTES

1. This exhibit has been prepared in accordance with Arizona Revised Statutes, Sections 28-8485 & 28-8486

2. FAA Traffic Pattern Airspace boundaries established in accordance with guidelines provided in FAA Order 7400.2D

3. Airport noise contours were developed using the Aviation Environmental Design Tool (AEDT, Version 2c), based on total annual operations (takeoff and landings) of 498,000

* Applicable to new development

N

0 1 2 3 Miles

Airport Board Effective Date: February 21, 2017

Lennar Homes

a Connected, Mixed Density Community at
NEC of Warner and Recker Roads
Gilbert, Arizona
Major General Plan Amendment Narrative
October 11, 2018

Submitted by:

Pew & Lake, P.L.C.
Real Estate and Land Use Attorneys

W. Ralph Pew
1744 S. Val Vista Drive, Suite 217
Mesa, AZ 85204
Phone: (480) 461-4670
Email: ralph.pew@pewandlake.com

On behalf of:

LENNAR
ARIZONA

Table of Contents

Introduction

Pew & Lake PLC, on behalf of Lennar Corporation and Scottsdale Investment Management, LLC, is pleased to submit this Project Narrative, Conceptual Site Plan and related exhibits in support of a Major General Plan Amendment for a proposed residential master plan and community commercial development on a 124.8 gross acre property at the northeast corner of Warner and Recker Roads in the Town of Gilbert. The property may be identified as Maricopa County Assessor parcel numbers 304-18-009A, 304-18-011F, 304-18-012B and 304-18-010A and is shown on the aerial below.

Entitlement History

1. The entire 156+/- acre property was annexed into the jurisdictional boundaries of the Town of Gilbert pursuant to Resolution No. 1793, adopted on February 3, 2003.

2. In October of 2006, the Town Council approved zoning of the property which established 79 acres of Business Park zoning known as the Beebe Business Park (Z06-68), and 77 acres of Residential>5-8 du/ac zoning as a residential subdivision known as Central Park at Beebe Estates (Z06-72). The residential subdivision contained three different zoning districts: Single Family/Detached, Single Family Detached with PAD, and Multi-Family Low with a PAD.

3. In November of 2009, initiated by and at the request of the then-property owner, the Rockefeller Group, the Town passed a Major General Plan Amendment (GP09-04) and Zoning Ordinance (Z09-10) to reconfigure the 156 acre parcel as shown on the next page. These actions introduced the Light Industrial designation on the property

General Plan Designation				New Zoning Classification
From	Acreage	To	Acreage	
Residential>5-8 du/ac	82	Residential>14-25 du/ac	25	Multi-Family/Medium PAD
Business Park	59	Business Park	35	Business Park PAD
Community Commercial	12	Community Commercial	12	Community Commercial PAD
Golf Course	3	Light Industrial	84	Light Industrial PAD
Total	**156**	**Total**	**156**	

4. In June of 2012, The Town approved a General Plan Amendment (GP12-02) and Zoning Amendment (Z12-03) to reconfigure 34.10 acres of the property. The designations of the property remained the same, but the acreages were adjusted slightly as shown below:

General Plan Designation			
From	Acreage	To	Acreage
Multi-Family/Medium	25.57	Multi-Family/Medium	26.52
Business Park	7.57	Business Park	7.50
Light Industrial	.96	Light Industrial	.08
Total	**34.10**	**Total**	**34.10**

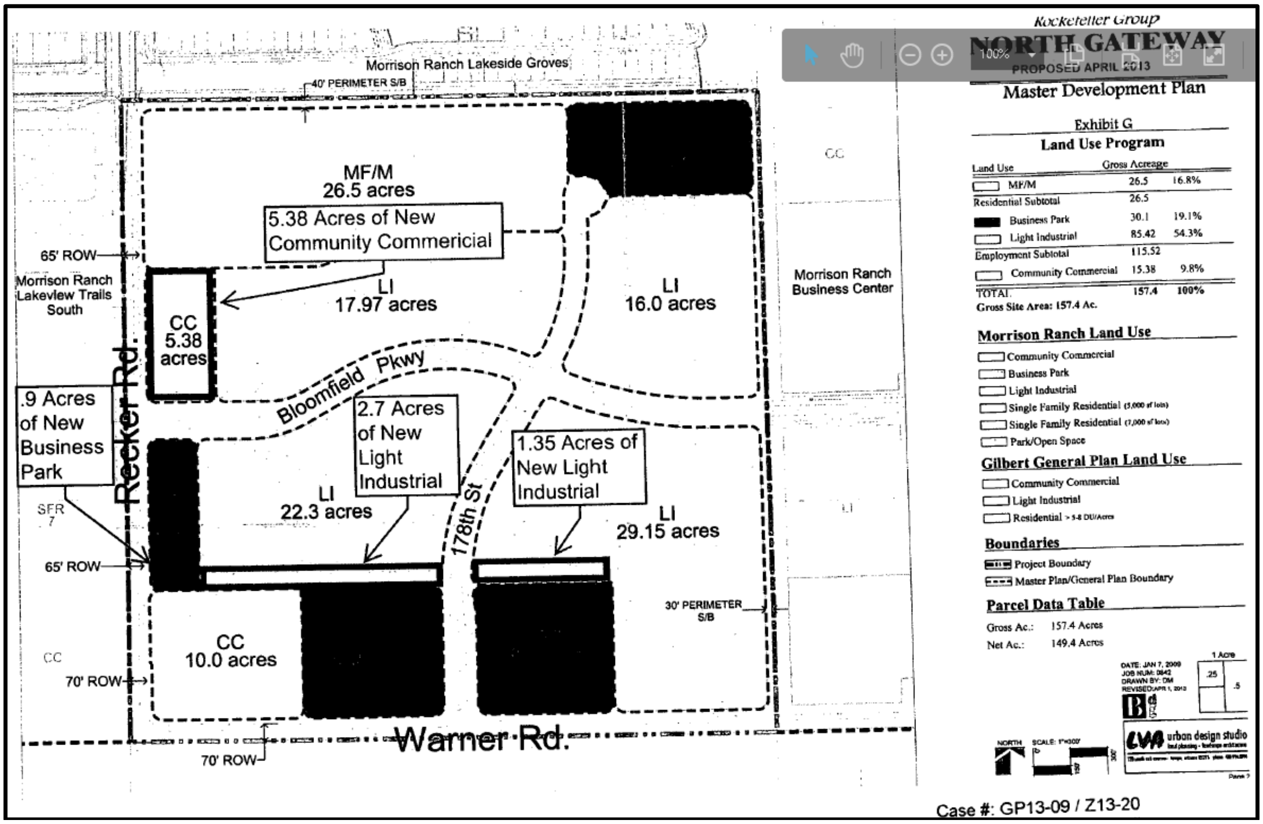
This adjustment was made to accommodate the development of the LivNorthgate Apartment Community.

5. In July of 2012, the Town of Gilbert Design Review Board approved the elevations and floorplans for LivNorthgate apartments.

6. In September of 2013, the Gilbert Town Council passed a Minor General Plan Amendment (Resolution 3195) and Rezoning (Z13-20) to again reconfigure the parcel to reduce the amount of property in the Business Park category, and increase the community commercial and Light Industrial categories in order to accommodate the development of a house of worship.

General Plan Designation			
From	Acreage	To	Acreage
Business Park	6.50	Business Park	.90
Community Commercial	2.20	Community Commercial	5.38
Light Industrial	1.63	Light Industrial	4.05
Total	**10.33**	**Total**	**10.33**

The resulting configuration of the property is shown below and remains in effect today.



Land Use Designation	Acreage	Percentage of Property
Multi-Family (not a part of this application)	26.5	16.8%
Business Park	30.1	19.1%
Light Industrial	85.42	54.3%
Community Commercial	15.38	9.8%
Total	157.4	100.0%

Existing General Plan Designation, Zoning Classifications and Site Conditions

As shown above and on **Exhibits A and B** of this narrative, the site currently contains three different General Plan and Zoning classifications. The Business Park (BP) property is spread out in three distinct areas on the site. The Community Commercial (CC) property is on the arterial corner and the Light Industrial (LI) property comprises the bulk of the development site and is located in the middle, with a small window of frontage on Warner Road.

The site is presently vacant, with the exception on an old farmhouse in the southeast portion of the property. It is unremarkable in its topography.

Relationship to Surrounding Properties

The site is bound on the north by apartments and single family homes in the Morrison Ranch subdivision; on the east by vacant property; on the south by a county island of single family residential and a charter school; and on the west by vacant property that is currently being developed as part of Morrison Ranch single family residential uses. The table on the next page shows the Existing uses, General Plan Designations and Zoning Classifications for surrounding parcels.

	General Plan Designation	Zoning	Existing Use
North	CC, MF/M and R>2-3.5	CC, MF/M, and SF-D	Apartments/Morrison Ranch Single Family
South	CC and R>5-8	CC/SF-D/County	Residential/Charter School
East	BP, LI and GC	BP, LI and GC	Vacant
West	R>2-3.5	SF-6 and SF-10	Vacant
Project Site	BP,LI and CC	BP, LI and CC	Vacant

Request

Our request to the Town of Gilbert will be as follows:

A. A major General Plan Amendment to change the Land Use Designations on 124.8 acres of property as shown on the table below and on **Exhibit C** of this narrative.

Proposed General Plan Changes			
Designation	Existing Acreage	Proposed Acreage	Difference
LI	87.5	0.0	-87.5
BP	28.4	0.0	-28.4
CC	8.9	8.9	No change
R>8-14	0.0	15.1	15.1
R>5-8	0.0	15.3	15.3
R>3.5 - 5	0.0	85.5	85.5
	124.8	124.8	

B. A companion request has been made to rezone the 124.8 acres of property in a manner that implements the above General Plan designations. Specific details regarding development standards have been included in that submittal.

The Development Plan

Residential

As shown on the Conceptual Site Plan, **Exhibit D**, which has been provided for illustrative purposes only, this neighborhood has been designed by the Nation's largest homebuilder as an integrated, connected and pedestrian-oriented, high-tech community featuring a variety of uses, densities, and residential product types. The 105-acre residential development site features six different development parcels with a mix of lot sizes and densities. The focal point of the community is a central round-about traffic element from which all of the development parcels radiate. The round-about not only serves as an attractive focal point within the neighborhood, but also acts as a traffic-calming measure where the main east/west and north/south collector roads meet in the center of the neighborhood like the hub of a wheel. The collector streets in this community will be tree-lined on both sides and contain a landscaped center median. The streetscape throughout the neighborhood will be lush, with special attention given to the selection of trees and shrubs that will provide a maximum canopy with minimal water usage. This design encourages residents to <u>not</u> drive, but walk, eat, mingle and engage with neighbors and other members of the community.

One of the key features of the development plan is the linear open space paseo that connects the residential development parcels to the commercial parcel diagonally through the site. This paseo has been designed to create a pedestrian-oriented commercial center with buildings that are not just oriented toward the street, but also provides an attractive and inviting pedestrian environment for residents within the development as well as surrounding areas. The intent is to provide for outdoor patios and a walkable plaza space that takes advantage of the open space and interconnectivity within the development. The system of pedestrian walkways will connect all of the parcels and will also provide opportunities for connections to the existing multi-family development and Morrison Ranch to the north. This will encourage walkability and other alternative modes of transportation to the commercial center not just from within the community, but the surrounding areas as well. Each residential parcel within the neighborhood will have its own centralized open space amenities that will be programmed to support the community, and feature pathways between them for the benefit of all residents.

Residential home types in the development will include a mixed stacked flat tri-plex condominium; motor-court detached single family homes, and a mix of conventional 50', 55', and 60' wide single family lots. This diversity of home types will provide a wide range of options and lifestyle choices for residents. In total, approximately 560 residential units are proposed.

Lennar is looking forward to developing this community as a neighborhood of Connected Homes. Connected Homes feature Lennar's Everything's Included® collection of home automation products and technology. These Wi-Fi Certified Homes are engineered with wireless access points built right into the home during construction for maximum, uninterrupted Wi-Fi coverage. The homes are also powered by Amazon Alexa and incorporate built-in technology features, such as connected thermostats, e-keys to the front door, lighting, room-filling music with Sonos, and doorbell cameras that are powered by a Samsung SmartThings platform. Amazon supports this partnership with Lennar by sending a service team to each home after move in to set up the devices and ensure everything is working properly.

Additionally, like all other Lennar communities Valleywide, this community we will offer the highly successful and sought after NextGen® Suite within some of the homes. These homes provide both privacy and togetherness and foster independence with help nearby when needed. Lennar is the first home builder to offer a home specifically designed for multigenerational living. NextGen® - The Home Within a Home, offers innovative floorplans to accommodate families without sacrificing their comfort. Families can enjoy cost savings and more opportunities for special family moments.

Commercial

Just under nine acres of property at the arterial corner of Warner and Recker Roads have been retained as Community Commercial. As shown on the Conceptual Site Plan, the buildings in this area will be oriented to take advantage of the connectivity provided by the linear open space paseo. The vision for this corner is to provide a sense of place at the hard corner of the intersection where families can walk from within this community, or any of the other nearby neighborhoods, to enjoy a meal, a cup of coffee or simply gather with friends while children play on the adjacent lawn. Even though the site lacks freeway exposure or access, we are working with multiple seasoned retail developers who will provide a first-class retail experience. Our commercial development partners have already begun marketing the property to tenants who will provide a retail experience consistent with those the Town has come to demand from its expanding retail development.

Major General Plan Amendment Applicability and Evaluation Criteria

Applicability

As previously noted, our request is to change the Land Use designations on this 124.8 acre property from BP, LI and CC to CC, Residential>8-14, Residential>5-8 and Residential>3.5-5.

The Town of Gilbert's General Plan defines a Major General Plan Amendment as "any change of non-residential Land Use Map classification of 40 acres or more." Accordingly, the Major General Plan Amendment process, and subsequent rezoning, are the correct development tools required to implement the desired change on this property.

The Town of Gilbert's General Plan defines the requested Land Use designations as follows:

Business Park (BP) areas are designated for "office and light industrial uses, including high technology and research and development firms. This classification encourages an attractive campus-style environment. Developments within this classification may include employee-oriented, on-site amenities, loft residential and accessory uses allowing for a mixed-use environment."

Light Industrial (LI) areas are designated for "a variety of light industrial uses, including assembly, light manufacturing, warehousing, offices, contractors' yards, laboratories, and research and development firms. Outside storage fully screened from public view is permitted."

Community Commercial (CC) areas "provide the commercial and service needs of residents in the surrounding area. These parcels are typically located along arterials, range in size between five (5) and fifteen (15) acres and a single user or stand-alone building under 50,000 square feet is permitted. Loft residential and mixed-used development is allowed within this zoning category."

General Plan Evaluation

The Town's General Plan Amendment application procedures recommend that the Applicant address the following factors:

A. Why is the current General Plan designation not suitable?

   1. **This property is an anomaly in the Power Road Growth Area.** As required by state statute, Gilbert has designated specific growth areas within the Town. These are areas that are "particularly suitable for planned multi-modal transportation and infrastructure expansion and improvements designed to support a planned concentration of a variety of uses, such as residential, office,

commercial, tourism and industrial uses." Accordingly, the Gilbert General Plan designated the Power Road Growth Area (PRGA) in 2012. The PRGA is defined as those properties "within one-half mile west of Power Road, one-half mile north of Elliot and one-quarter mile north of William's Field Road." The Power Road Growth area is shown on **Exhibit E.** As further explained in the General Plan, "…the Phoenix-Mesa Gateway Airport, directly to the east, is the catalyst for development within this area. With quick transportation access to the Santan Freeway and the Power Road Corridor, the purpose of this Growth Area is to capitalize on its adjacency to the Mesa-Gateway Airport. Upon examination of the growth area, a stark pattern emerges—except for this property, every single one of the parcels in the PRGA is located immediately on or within one half mile of Power Road, *or* adjacent to a freeway interchange. Additionally, none of the other properties in the PRGA is surrounded on three sides by residential development. Given these constraints, this property is unable to be developed in a manner that utilizes and amplifies the growth area's attributes. Accordingly, it would be more appropriate to change the land use designations on this property to those contained within this request.

2. **The boundaries of the Gateway Employment Corridor promulgated by the Town's Economic Development Department inappropriately include this development site.** As shown on the Regional Gateway Employment Overlay, **Exhibit F**, the site is part of the Gateway Employment Corridor. The Gateway Employment Corridor is massive and includes all the Power Road Growth Area, as well as an east/west node limb that extends west nearly four miles between the 202 and Elliott Road. When this corridor is shown on an aerial overlay, provided as **Exhibit G**, it is evident that most of the land in this east/west node has already been developed as residential, or approved for residential development. This would suggest that residential development at this development site is consistent with the surrounding as-built environment and the boundaries of the Gateway Corridor, which is not part of the General Plan, should be revised.

3. **Lack of Freeway visibility or access to transportation nodes.** Those BP and LI properties in the Town that are not in the Power Road Growth Area are logically located along the frontage of the Loop 202 Freeway or with proximity to a railroad line as shown on **Exhibit H** of this narrative. Our proposed development site does not benefit from the adjacent freeway visibility demanded by BP or LI users, nor does it benefit from being adjacent to other transportation nodes. It is also worth noting that the arterials this site is located on, Warner and Recker Roads, have no other property used for BP or LI uses in the immediate vicinity, except for a few, older parcels at the corner of Power and Warner Roads.

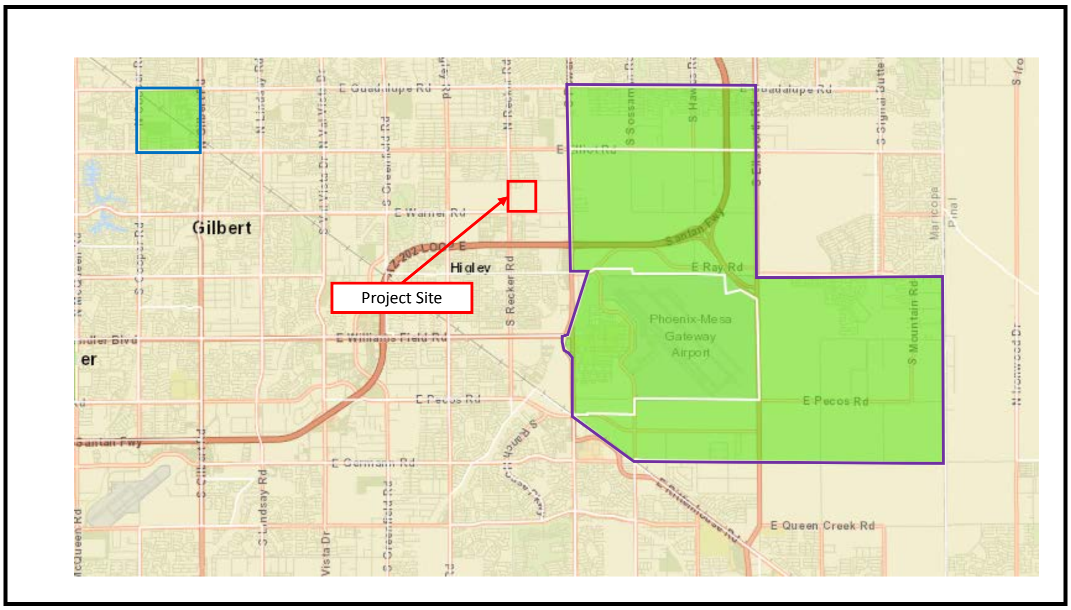
4. **LI and BP uses are incompatible with the existing residential development in the area.**

   When examining the list of allowed uses in the BP and LI zoning districts in the Town's Land Development Code, which implement the Land Use designations, it is apparent that many of the allowed uses would be incompatible with the established residential development to the north and south, and the approved residential development to the west of the subject property. Some of the more objectionable BP and LI uses are: public safety facilities, RV Storage, ambulance services, transportation terminals, satellite stations, large food preparation facilities, maintenance and repair services, fueling facilities, vehicle and equipment sales, animal shelters, dry cleaning plants, wholesale building material sales, crematoriums, marijuana cultivation, vehicle servicing, repair and dealers, manufacturing and assembly facilities of all sizes, vehicle towing yards and wholesale distribution facilities. Additionally, many of these permitted uses are not conducive to the campus-like environment envisioned in the BP designation. When showing this property to prospective users, the previous owner indicated that site-selection personnel from large industrial users indicated that they don't want to locate near residential or educational uses. Moreover, they don't consider an arterial road as a transitional buffer from those residential uses. Consequently, nearly sixty development companies have passed on the opportunity to develop this property in the near-decade since it has been designated as BP, LI and CC. It is clear that the market has spoken on the lack of developability of this parcel for BP and LI.

5. **This property lacks proximity to the kind of utilities that are required for modern industrial development.** The Urban Land Institute recently published a May, 2018 article in URBANLAND Magazine, entitled *Needs for More Power, Flexibility Driving Markets for Industrial Property.* The article discusses at length, the needs required by today's technology-driven industrial user. Building square footages have increased to, in some case, 500,000 square feet or greater, with internal clear heights of up to 40 feet. These modern warehouses are required to be outfitted as "just in time" facilities. Just in time facilities require sufficient energy to power the modern technology that enables the speedy production and/or distribution of goods. The robotics and other mechanicals in these buildings sometimes require 8,000 to 10,000 amps of power. There are simply not the energy resources in this area to fill the needs of many industrial/technology users. The cost of bringing such utilities to this area precludes high-end technology users from locating at this property.

6. **This property is at an economically competitive disadvantage from other BP and LI properties in the Town and region (See graphic on next page).** In April of 2018, the Arizona Department of Commerce designated the property outlined in blue as an Opportunity Zone (OZ). Created under the U.S. Tax Cuts and Jobs Act of 2017, Opportunity Zones provide tax incentives to developers who choose to

develop in these areas. By <u>not</u> being designated as an opportunity zone, this parcel cannot provide tax benefits to potential users that are offered by BP and LI properties in Gilbert's only Opportunity Zone. Moreover, the City of Mesa has thousands of acres designated for Industrial and Employment uses that lie within OZ's that begin one-half mile east of this proposed development, as shown in the very large green area outlined in purple.



B. How the proposed change is compatible with adjacent properties and other elements of the General Plan.

As shown on the Existing Regional General Plan Exhibit provided with this narrative as Exhibit I, the properties surrounding this development site are either currently built as residential, or approved for residential development. The creation of this "as-built" environment has created an island upon which BP or LI uses would be inappropriate, as discussed above. The rectangular area shown on the exhibit highlights the fact that all of the properties west of the 180th street alignment for the entire north/south length of the Town, are designated as residential neighborhoods. This exhibit clearly shows this development site, with its BP and LI designations, is an anomaly in this area.

Moreover, when examining the densities of the existing and approved residential communities surrounding the proposed development site, the densities that will be proposed in the companion zoning application for this development are compatible with those established and/or approved neighborhoods.

C. Any unique physical characteristics of the site that present opportunities or constraints for development under the existing designation.

There are no physical characteristics of the site that would pose a development constraint or preclude the development of BP or LI uses on this property.

D. Explanation on the availability of public utilities and services.

As noted in the pre-app comments received from Town staff and included with this submittal, there is an 18" sewer line and 16" water line running down Recker Road. The sewer line on Recker has three 8" sewer stubouts immediately in front of the project site. On Warner Road, there is a 16" water line and a 15" sewer line. Additionally, there are overhead utility lines that will be undergrounded as part of the development of this project. Accordingly, there are adequate utilities in place to serve this proposed community.

E. The proposed fiscal impact of future development based on the evaluation of projected revenue and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population.

The Market Study provided with this application evaluates the potential revenue impacts to the Town that would result if this General Plan Amendment request is approved. The study urges approval of the Major General Plan Amendment request for the following reasons:

1. **A review of historical, current, and forecasted economic data suggests the Town has an excess of employment use land, even after considering the community's excellent economic development performance this decade. Larger economic regions demonstrate employment-to-population ratios (as discussed within the report) of approximately 0.5. A highly performing community that attracts a proper balance of high wage jobs would display a ratio of less than 1.0, with 0.75 being a reasonable target. The Town's projected ratio, by calculating jobs based on the assumed development of all of the land designated for employment uses in the Town's current General Plan going forward, is an estimated 1.14.**

2. **The fact that half of the land was previously designated as residential just ten years ago, and there is an immediate demand for single family product in the region.**

3. **The economic and fiscal impacts to the community will be sizeable from the planned residential development.**

4. **Attractive, available and highly competitive alternatives exist for employment uses in the region including the Mesa-Gateway area.**

5. **The prior owner, the Rockefeller Group, advises that nearly 60 companies have considered the land in recent years and have all rejected the location. This is due to a combination of factors that have been previously discussed in this narrative- lack of freeway access and visibility; lack of proximity to enhanced utilities; more suitable opportunities in the immediate Mesa-Gateway Airport vicinity; and the proximity to residential uses.**

F. How the proposed amendment affects the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet demands of present and future residents.

   The proposed amendment does not diminish the ability of the Town to sustain its physical and cultural resources. If this proposed amendment is approved, the resulting increase in population in the Town will have a de minimis or immeasurable impact on air or water quality, natural or human-made resources. In 2016, the Town's population was estimated to be 237,133. If this proposed community develops with 560 homes, the anticipated population increase would be 1,213 residents (2.5 individuals per household). This represents a population increase of only .005%. It is also worth noting that the proposed number of dwelling units is comparable to the pre-2009 residential land use designation of the property. At that time, 82 acres were designated in the Residential>5-8 du/ac, which could have yielded 410 to 656 total dwelling units. Our proposed 560 homes falls squarely within this range and does not attempt to increase the density at this location beyond what was previously allowed.

   Moreover, the homes that are being proposed in this development, as previously discussed, will be more energy efficient than older homes, and feature home automation that helps reduce the environmental footprint of each owner.

   The Town of Gilbert is a beautiful and sustainable community that provides great neighborhoods for its residents. This proposed residential community will not affect the Town of Gilbert's ability to continue to serve as one of the country's best cities in which to live.

Additionally, the applicant has also been asked by Town staff to consider the following questions

A. Did the Town make a mistake when, in 2009, it amended the General Plan to remove the single-family residential and a small portion of golf course designations on the property to introduce the BP and LI categories at this location?

   We understand that, in general, the Town has an increasing appetite for attracting more employment development, and that efforts to make that change are generally embraced. Considering the previous owner's development experience and extensive development portfolio, amending the plan in 2009 to remove single-family residential was a perfectly reasonable thing to do. Since then, however, that same developer has been unsuccessful at securing any industrial users during one of the best economies

the Town and larger region have seen in some time. Now that we fully understand all of the limiting and restricting factors that make this property non-competitive in the LL, BP and CC development sector, it is time to adjust to the reality that this property should have been designated for residential purposes years ago and a change in the land use designation for residential purposes now is appropriate.

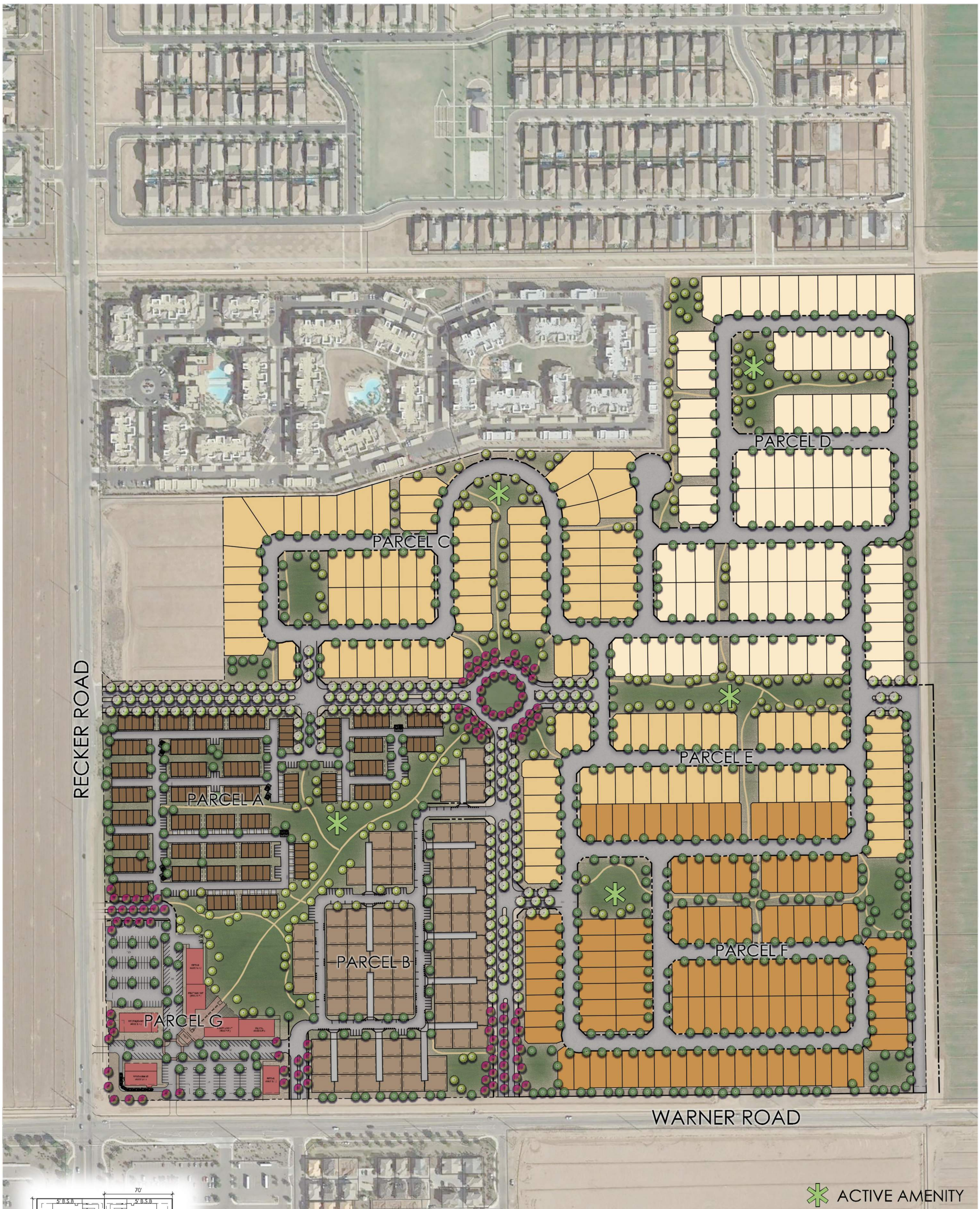
Public Notification and Input

A neighborhood meeting was held on May 8, 2018 to discuss the proposed amendment. Approximately 5 people attended and the discussion ensued regarding road improvements, potential price points of the homes, whether or not the proposed density is compatible with surrounding areas, and the overall timing of the entitlement and consturction processes.

A neighborhood meeting summary has been provided to the Town with our application materials.

Implementation & Conclusion

The proposed development will be implemented in conformance with the regulations and guidelines contained within the Town of Gilbert Land Development Code, and the Town's Residential Subdivision Design and Development Guidelines. Additionally, this development will be administered and enforced by the Town's Development Services Department. We look forward to working with Town staff during all aspects of development to make our vision for this parcel a reality.



Site Data									
Parcel	Use	Proposed Zoning	Gross Area	Net Area	Mix (Area)	Units	Mix (Units)	Gross Density	Net Density
A	Row Townhomes	SF-A	15.8 Ac.	14.8 Ac.	12.7%	176	31.0%	11.1 DU/Ac.	11.9 DU/Ac.
B	Motor Court	SF-D	15.8 Ac.	14.8 Ac.	12.7%	87	15.3%	5.5 DU/Ac.	5.9 DU/Ac.
C	55' x 115'	SF-6	21.0 Ac.	19.2 Ac.	16.8%	70	12.3%	3.3 DU/Ac.	3.6 DU/Ac.
D	60' x 120'	SF-7	25.1 Ac.	25.1 Ac.	20.1%	85	15.0%	3.4 DU/Ac.	3.4 DU/Ac.
E	55' x 115'	SF-6	12.4 Ac.	11.0 Ac.	9.9%	43	7.6%	3.5 DU/Ac.	3.9 DU/Ac.
F	50' x 115'	SF-6	26.9 Ac.	23.6 Ac.	21.6%	107	18.8%	4.0 DU/Ac.	4.5 DU/Ac.
	Residential Totals		**117.0 Ac.**	**108.4 Ac.**	**93.7%**	**568**	**100.0%**	4.9 DU/Ac.	5.2 DU/Ac.
G	Neighborhood Comm.	NC	7.8 Ac.	5.9 Ac.	6.3%				
	ROW - Misc		0.0 Ac.	10.5 Ac.					
	Total		**124.8 Ac.**	**124.8 Ac.**	100%				

LVA
an RVi Company
land planning
development entitlements
landscape architecture
120 south ash avenue
tempe, arizona 85281
480.994.0994

WARNER AND RECKER

Conceptual Site Plan

NORTH
0 150 300
GRAPHIC SCALE
1" = 150'

18000536 DRAWN BY: CJ, PR 09/14/18

L:\18000536-LENNAR WARNER & RECKER\CAD\PLANNING\RVI-18000536-CONCEPTUAL SITE PLAN-OPTION J.dwg Aug 2, 2018

Analysis of Proposed Major General Plan Amendment Town of Gilbert, Arizona

May 31, 2018

Property Owner:
Scottsdale Investment Management, LLC
17800 N. Perimeter Dr., Suite 210
Scottsdale, AZ 85255

Applicant:
Lennar Homes/W. Ralph Pew
Pew & Lake, PLC
1744 South Val Vista Drive, Suite 217
Mesa, AZ 85204

Rounds Consulting Group

Table of Contents

Section 1: Executive Summary

As part of the submittal requirements established by the Town of Gilbert for a Major General Plan Amendment, the applicant requested Rounds Consulting Group, Inc. (RCG) to analyze a proposed general plan amendment related to the use of 124.8 acres within the Town of Gilbert (Town, or Gilbert).

Lennar is proposing to amend the general plan and rezone the 124.8 acre property, located at the northeast corner of Warner and Recker Roads in Gilbert, from its existing general plan designations of Business Park (BP), Community Commercial (CC) and Light Industrial (LI) to various residential designations, while retaining the Community Commercial designation on a small portion of the property.

There are a number of factors for the Town to consider:

1. A review of historical, current, and forecasted economic data suggests the Town has an excess of employment use land, even after considering the community's excellent economic development performance this decade. Larger economic regions post employment to population ratios (as discussed later in this report) of approximately 0.5. A highly performing community that attracts a proper balance of high wage jobs would display a ratio of less than 1.0, with 0.75 being a reasonable target. The Town's implied ratio, going forward, is an estimated 1.14.

2. The land use was previously designated as residential just ten years ago, and there is an immediate demand for infill single family product in the region.

3. The economic and fiscal impacts to the community will be sizeable from the planned residential development.

4. Attractive and available alternatives exist for employment uses in the region including the Mesa-Gateway area.

5. The prior owner, the Rockefeller Group, advises that a number of companies have considered the land in recent years and have all rejected the location.

6. The Mesa Gateway area will be a major competitor for larger scale business locations.

Conclusion: Given the Town's highly weighted employment ratio, and the fact that there is immediate demand for single family use by the current landowner, it is recommended the Town approve the land use amendment.

Section 2: Introduction

Lennar is proposing to amend the General Plan and subsequently rezone the property, located at the northeast corner of Warner and Recker Roads in Gilbert, from its existing General Plan designations of Business Park, Light Industrial and Community Commercial to various residential designations while retaining the commercial designation on the arterial corner. The site is currently bound by single family and apartment homes to the north; vacant property on the east; single family homes, a charter school, and a county island to the south; and vacant property that will be developed into a single family sub-division to the west.

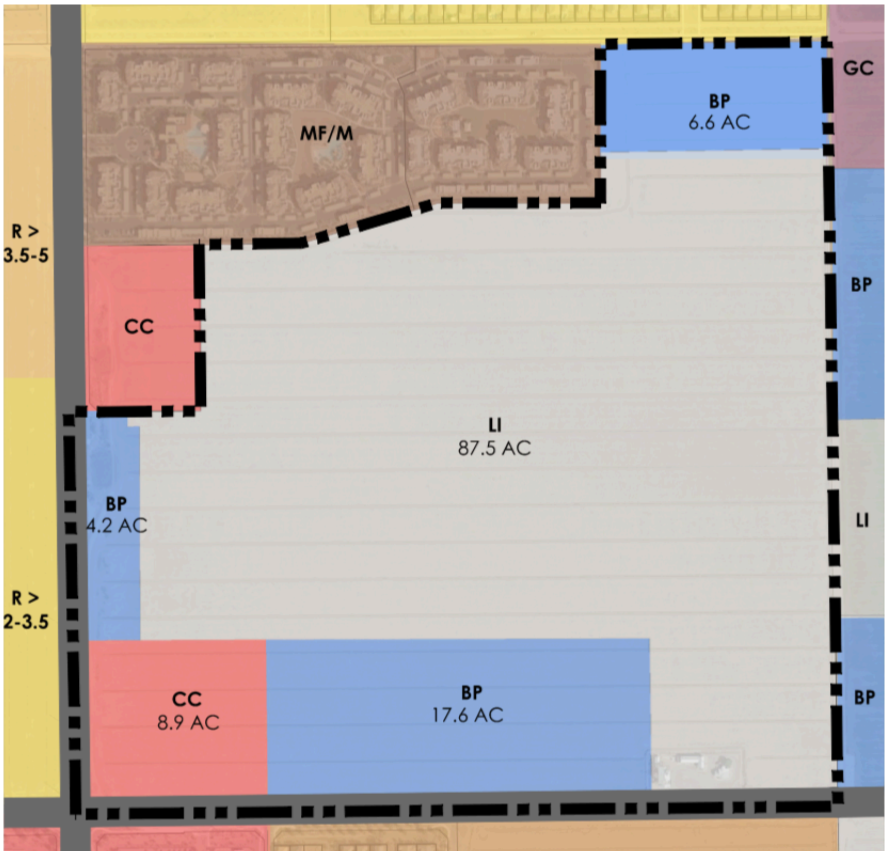
Study Area: NE Corner of Warner and Recker Roads in the Town of Gilbert

Source: Lennar Arizona, Inc.

2.1 General Plan Designation and Zoning Classifications

As shown in the following depiction, the vacant Warner and Recker site is currently zoned and designated as Business Park (BP), Community Commercial (CC), and Light Industrial (LI) property in the General Plan.

Existing General Plan Designation and Zoning Classification



Source: Town of Gilbert General Plan

The requested General Plan Amendment, if approved, will allow for the development of the property as shown in the following depictions.

Proposed General Plan Designation and Zoning Classification

Source: Lennar Arizona, Inc.

Conceptual Site Plan

Source: Lennar Arizona, Inc.

2.2 Study Considerations

The primary consideration relates to the extent that the re-designation of the acreage from employment uses to residential will have an impact on the Town. This consideration requires an analysis of the community's current economic profile and what is projected into the future. The emphasis will be on job creation potential. This potential can then be compared to the acreage for employment uses and whether or not there is a shortage or excess.

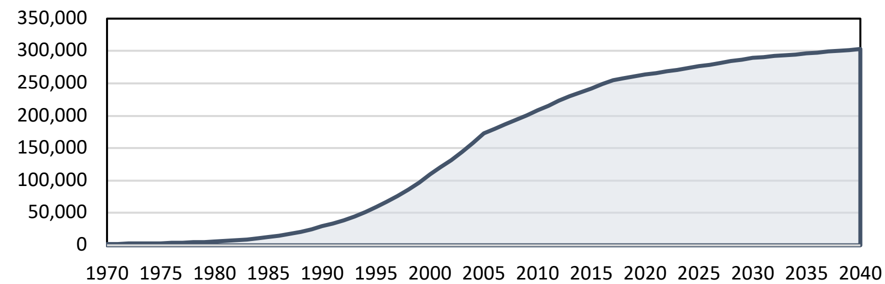
An evaluation is also needed related to the economic and fiscal impacts associated with an immediate use of the property compared to an indeterminant time period within which the land is vacant and non-productive. Final considerations related to uncertainty and general public policy issues similarly need to be addressed.

Section 3: Market Analysis

An economic profile of the Town of Gilbert provides context into the later discussion of efficiently designated land uses. Current and forecasted data is provided for local population and employment counts. Current and historical data is provided for key housing measures and commercial market trends.

3.1 Basic Demographics and Employment Trends

Population: The Town is home to approximately 245,000 residents. Over the past decade the Town has realized considerable growth. Since 2007, the population count has increased 25% according to the Arizona Office of Economic Opportunity. The median age of Gilbert's population is 33.3. By 2040, the Town's population is expected to increase by roughly 19%. This growth will slow as build-out approaches closer to mid-century.



Source: U.S. Census Bureau; Town of Gilbert; Maricopa Association of Governments

The median household size in the Town is 3.15, compared to 2.75 for Maricopa County, indicating a larger than average share of families. The Town's median household income is about $85,600, which is approximately 55% higher than the region's median income.

These basic population and income statistics are utilized in the economic and fiscal impact calculations in Section 4.2. As incomes rise, more spending potential exists and economic impacts advance. Incomes closer to the Town median will still allow for sizeable economic impacts if satisfactory levels of retail exist within the immediate area. Household income approximately equal to the Town median of $85,600 will be sufficient for an average housing product equal to approximately $350,000.

Employment: According to the Maricopa Association of Governments ("MAG"), 91,900 people were employed within the Town as of 2015. By 2040, the number of people employed is expected to reach 143,800. By 2050, the job count is forecasted to be 157,700. The MAG estimates are based on econometric models and a review of community land use plans. Thus, if a community has a relatively high percentage of land designated as employment use the MAG employment forecast will be inflated above normal market conditions.

Since the requested General Plan amendment relates to shifting property from employment use to residential use, additional perspective is needed related to the Town's historical, current, and prospective jobs to population ratios (employment ratio, or ratio). This measure simply divides the number of jobs within a particular area by the population count. This is different than measures of labor market performance that focus on levels of employment in a broader region and are compared to the working age population.

The employment ratio can be used to evaluate an entire economic region, an individual community, or a defined submarket as it relates to land use plans. A qualifier is that enough representative development activity within an area must exist for the ratio to be relevant.

If an area yields a ratio that is relatively low compared to the larger economic region, it is possible that local planning exercises should consider additional employment uses. If a ratio is relatively high, local plans may include excessive acres of employment uses and modifications are in order. The ratio itself is not the sole determinant of these shortages or excesses. Different communities have different economic profiles and opportunities to develop their residential and employment bases. However, a review of common areas over an extended period of time does provide useful information.

Historically, according to MAG, the employment ratio in Maricopa County averages just below 0.50. In 2015 the County-wide ratio was 0.47 and is projected to increase slightly to 0.49 by 2050. In general, the broader economic region can be described with a stabilized ratio of 0.5.

For comparison, in 2015 the ratio was 0.37 within the Town of Gilbert. Moving forward, the ratio is expected to remain below 0.40 until the latter part of the 2020's when it is projected to advance to just above the County average. The smaller submarket area that is within a 5 mile radius of the subject property is projected to follow a similar pattern but with employment growth not significantly accelerating until the 2030's. These statistics follow the historical economic profile of the Town primarily being a residential community until the beginning of this decade when a purposeful shift occurred to encourage a more balanced employment versus residential mix.

Projected Employment Ratios – Existing and Planned Development

	2015	2020	2030	2040	2050
Maricopa County					
Jobs/Pop Ratio	0.47	0.48	0.47	0.47	0.49
Gilbert					
Jobs/Pop Ratio	0.37	0.39	0.44	0.48	0.52
5-Mile Radius					
Jobs/Pop Ratio	0.34	0.35	0.41	0.47	0.56
5-Mile Radius (only Gilbert)					
Jobs/Pop Ratio	0.30	0.32	0.38	0.44	0.51

Source: Maricopa Association of Governments

The employment mix must be further separated into past versus prospective opportunities. Economic opportunities moving forward will be based on current and future economic conditions. This means future economic growth statistics must also be compared to vacant acreage, and not just to already developed properties.

As previously noted, the employment ratio in Maricopa County is stable at approximately 0.5. The Town of Gilbert is an award winning community and has above average opportunities for higher value added business attraction. A reasonable employment ratio for an advancing community such as Gilbert could be as high as 0.75 moving forward (See 3.2 – Development Trends). A review of the MAG projections for the Town identifies that the land use plans would translate into an employment ratio, going forward, of 1.14. The submarket area within a 5-mile radius of the subject property displays an employment ratio of 1.34.

This implies there are opportunities within the Town for additional residential land uses. If maintaining adequate acreage for employment uses is the Town's main concern, then the statistics suggest the amendment would not cause harm.

Projected Employment Ratios – Planned Development

	2015-2020	2020-2030	2030-2040	2040-2050	2015-2050
Maricopa County					
Jobs/Pop Ratio	0.60	0.41	0.49	0.60	0.51
Gilbert					
Jobs/Pop Ratio	0.67	0.96	1.30	3.23	1.14
5-Mile Radius					
Jobs/Pop Ratio	0.49	1.08	1.50	3.56	1.34
5-Mile Radius (only Gilbert)					
Jobs/Pop Ratio	0.61	0.92	1.53	3.61	1.25

Source: Maricopa Association of Governments

As a check to the previous calculations, a fully separate set of data points was reviewed. In this case, U.S. Census Bureau population statistics were used as the denominator in the calculation. The jobs numerator is based on converting vacant employment land uses into development activity. In this separate calculation, the jobs to population ratio for the Town, from 2015 to 2050, would be 0.97.

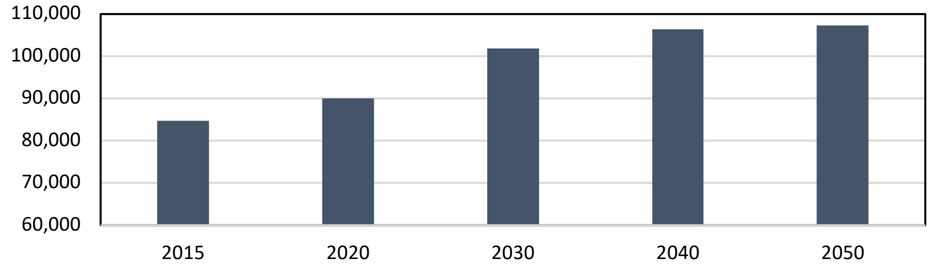
Under both analyses, the acreage designated for employment uses within the Town and submarket appears to be more than necessary. This indicates there are indeed opportunities to allow additional residential development to occur while still maintaining a relatively high employment to residential land use mix.

3.2 Development Trends - Housing

A review of development trends within the Town supports the conclusion that the community will post an above average employment ratio moving forward (0.75) and that thoughtful changes from employment to residential uses may be appropriate throughout the Town and in particular at this location.

Housing: According to MAG, the Town of Gilbert has roughly 84,800 housing units. By 2050, that is expected to increase 26.5% to 107,300 housing units. Approximately 86% of housing units are single family detached homes. The Town has considerably more homeowners than renters. Approximately 72% of occupied housing units were owner-occupied. The median value of the owner-occupied homes was $264,700.

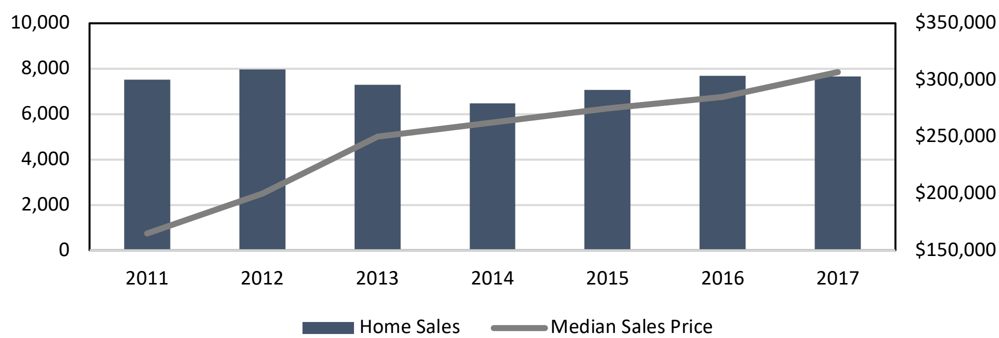
Town of Gilbert
Housing Units



Source: Maricopa Association of Governments

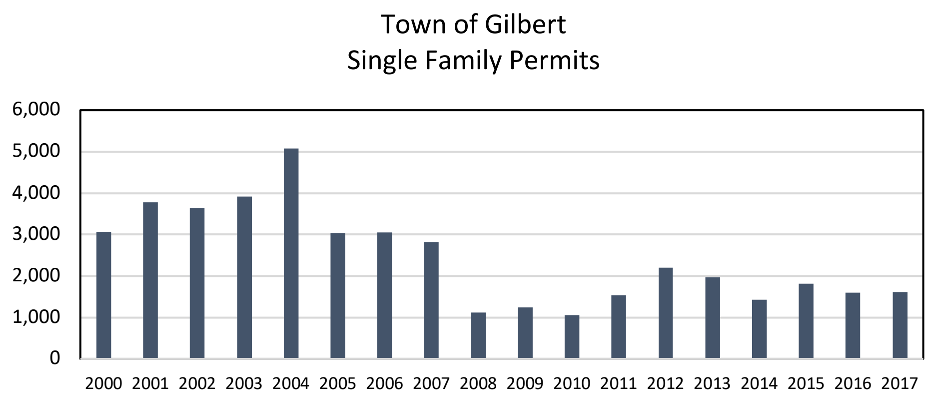
In 2017, housing sales remained relatively flat despite the healthy economy. The median sales price in the Town was $307,000 – up 7.7% during the previous year. The median sales price of a new home was $381,100 compared to $300,000 for normal resales.

Town of Gilbert
Home Sales



Source: Cromford Report

Permitting of single family homes slowed significantly during the recent downturn. Although permitting has been trending upward, the level remains at about half the pre-recession levels and there is added room for improvement.

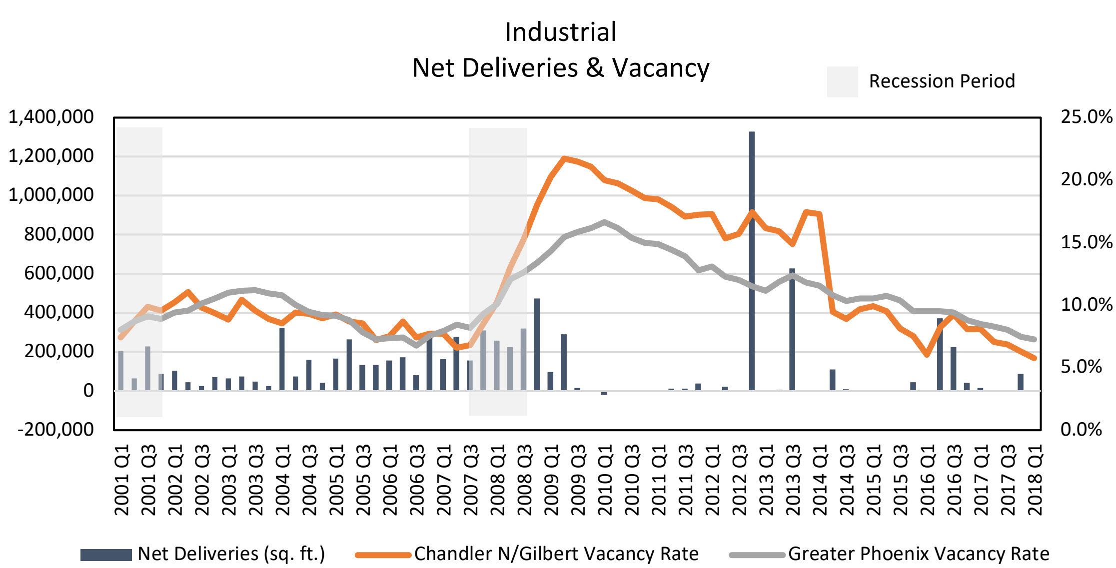


Source: U.S. Census Bureau

The outlook for housing remains positive. An improved economy, backed by low mortgage rates and low inventories, will continue the recent price appreciation. Affordability issues may arise; however, the Town's current economic profile will support modest price increases. Additional housing opportunities can continue to be considered.

<u>3.3 Development Trends – Employment Uses</u>

<u>Industrial:</u> CoStar defines the Gilbert industrial submarket as the Chandler N/Gilbert Industrial Submarket. It includes the Town of Gilbert, segments of north Chandler, and segments of south Mesa (including the Phoenix Mesa Gateway Airport area). The lack of new supply has translated to robust rent growth in recent years. However, rent gains in 2017 slowed substantially from the previous year. This mirrors the Greater Phoenix trend. The asking rent per square foot was at $9.04 in the submarket compared to $7.71 for the region as of the first quarter of 2018.

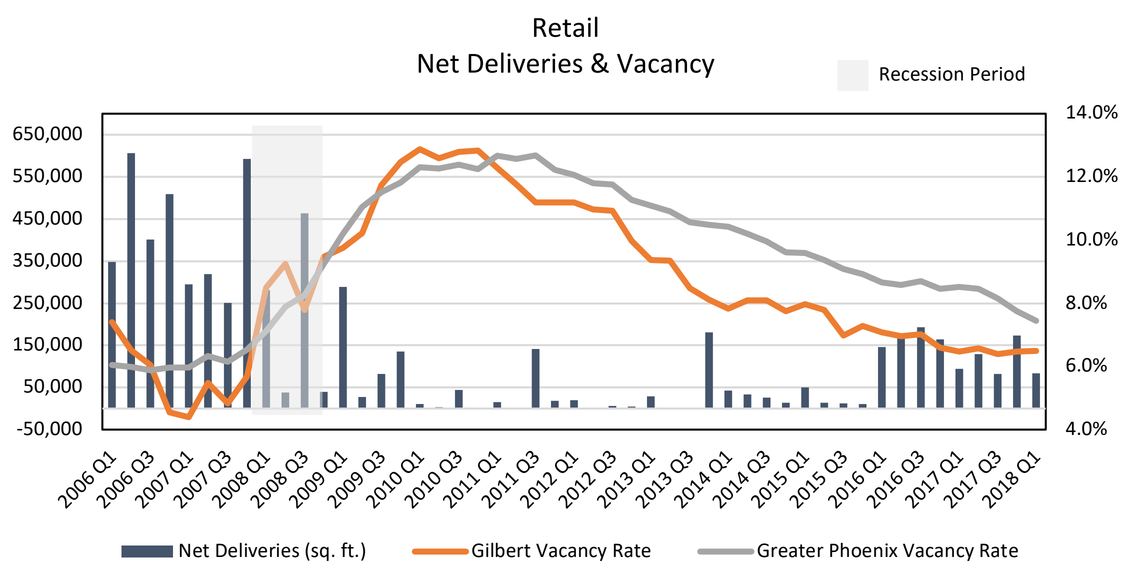


For perspective, inventory, vacancy rates, asking rental rates and construction information for a 1, 3, and 5-mile radius surrounding the Warner and Recker site follows.

Submarket Industrial Activity – As of 2017						
	Number of Buildings	Inventory Sq. Ft.	Vacancy Rate	Asking Rent	Deliveries Sq. Ft.	Under Construction Sq. Ft.
1-Mile	5	642,621	-	-	-	-
3-Mile	17	1,002,336	3.0%	-	72,000	450,000
5-Mile	61	1,913,929	4.3%	$8.19	72,000	450,000
Source: CoStar						

Retail: CoStar defines the Gilbert Retail Submarket as the area bound by Houston Avenue to the north, East Hunt Highway to the south, Arizona Avenue to the west, and Power Road to the east. Although there was an increase in construction activity during 2016 and 2017, deliveries have been well below the pre-recession average. Since 2010, about 1.9 million square feet of retail space has been constructed – while 4.3 million square feet was built between 2006 and 2009.

The Gilbert submarket's average asking lease rate ended the first quarter of 2018 at $19.09. This is roughly 40% less than the pre-recession peak. The metro area's average asking rate also remained about 36% below the prerecession peak at $17.83 as of the first quarter of 2018.



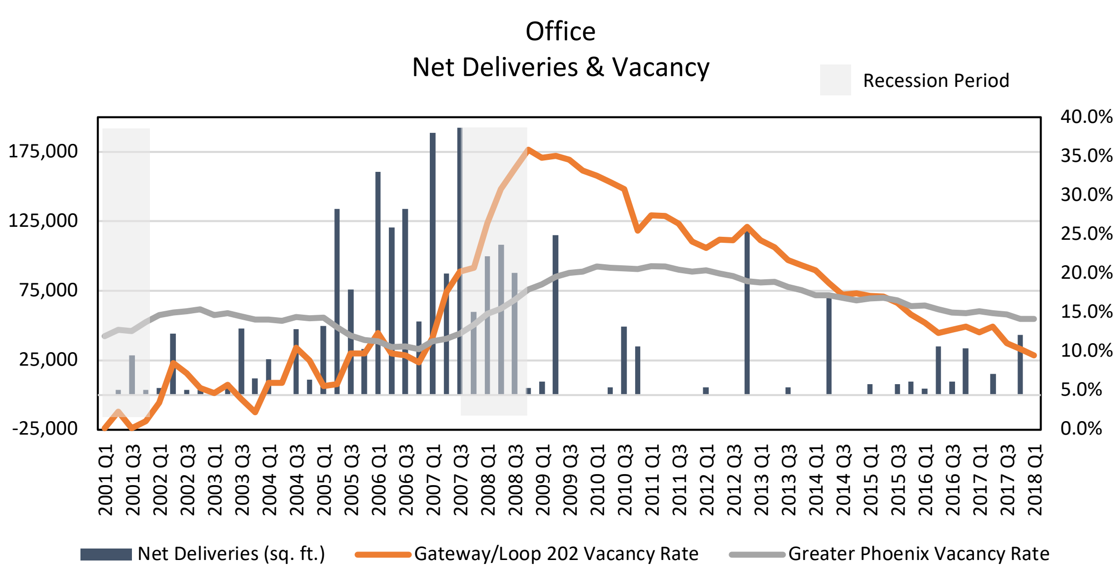
Source: CoStar

Inventory, vacancy rates, asking rental rates and construction information for a 1, 3, and 5-mile radius surrounding the Warner and Recker site follows.

Submarket Retail Activity – As of 2017						
	Number of Buildings	Inventory Sq. Ft.	Vacancy Rate	Asking Rent	Deliveries Sq. Ft.	Under Construction Sq. Ft.
1-Mile	3	26,373	-	-	-	-
3-Mile	125	2,119,324	6.9%	$16.12	67,247	4,675
5-Mile	628	14,214,292	6.0%	$17.19	398,800	101,901
Source: CoStar						

Office: CoStar defines the Gilbert office submarket as the Gateway Airport/Loop 202 Office Submarket. The submarket includes the Town of Gilbert and segments of south Mesa including the Phoenix Gateway Airport area. It is broadly defined as the area between Baseline Road and East Hunt Highway to the north and south, and Lindsay and Schnepf Roads to the west and east. Office activity within the submarket continues to see mixed outcomes. Vacancy rates fell below 10% in the first quarter of 2018 for the first time since the fourth quarter of 2006. As of the first quarter, vacancy rates for the submarket declined to 9.5%. The Greater Phoenix office vacancy rate was 14.1%.

The continued decline in vacancy rates is mainly due to limited new supply of office product. Since 2010, 460,000 square feet of office space has been added to the submarket. In contrast, between 2001 and 2009, roughly 2.0 million square feet of office space was built. According to CoStar, only 49,600 square feet of office is currently under construction and the pipeline remains relatively empty. The average asking lease rate for the Gilbert submarket was $23.43 at the end of the first quarter of 2018. For perspective, the Greater Phoenix asking lease rate was $24.68. While the asking rent was up 3.3% over the year, it still remains 14% below the 2008 peak.



Source: CoStar

Inventory, vacancy rates, asking rental rates and construction information for a 1, 3, and 5-mile radius surrounding the Warner and Recker site follows.

Submarket Office Activity – As of 2017						
	Number of Buildings	Inventory Sq. Ft.	Vacancy Rate	Asking Rent	Deliveries Sq. Ft.	Under Construction Sq. Ft.
1-Mile	5	75,776	2.6%	$15.80	-	-
3-Mile	76	951,948	10.9%	$18.98	-	-
5-Mile	423	4,847,910	10.2%	$19.03	43,354	-
Source: CoStar						

The overall development patterns in the area follow what would be expected in a peaking economy with the exception of single family housing. Housing supply is still lagging demand and additional product opportunities should be explored.

Vacant Land: The employment use development activity, along with long term economic forecasts, can be compared to the supply of vacant land by use type. According to the Town of Gilbert, there are approximately 7,940 acres of vacant land in the community. The detailed breakdown of land uses is provided in the following table. Only 12.4% of all Town residential land use remains vacant.

Town of Gilbert

Available Land

Land Use Code	Total	Vacant	Percent	Land Use Code	Total	Vacant	Percent
Commercial	**3,278.90**	**990.50**	**30.2%**	**Office**	**1,244.70**	**746.50**	**60.0%**
NC (Neighborhood Commercial)	215.90	62.80	29.1%	NO (Neighborhood Office)	59.20	32.40	54.7%
CC (Community Commercial)	392.00	107.90	27.5%	GO (General Office)	262.70	84.60	32.2%
SC (Shopping Center)	745.30	163.10	21.9%	BP (Business Park)	922.80	629.50	68.2%
GC (General Commercial)	710.40	156.50	22.0%				
RC (Regional Commercial)	1,146.90	456.90	39.8%	**Industrial**	**1,412.40**	**516.30**	**36.6%**
VC (Village Center)	68.40	43.30	63.2%	LI (Light Industrial)	1,208.20	511.30	42.3%
				GI (General Industrial)	204.20	5.00	2.5%
Residential	**26,414.30**	**3,270.20**	**12.4%**				
Residential > 0 – 1 DU/Acre	5,655.40	934.90	16.5%	**Other**	**6,081.80**	**2,416.80**	**39.7%**
Residential > 1 – 2 DU/Acre	2,215.40	401.20	18.1%	P/R (Parks/Retention)	1,110.50	710.00	63.9%
Residential > 14 – 25 DU/Acre	614.50	130.70	21.3%	PF/I (Public Facility/Institutional)	2,061.50	647.50	31.4%
Residential > 2 – 3.5 DU/Acre	5,828.60	1,082.20	18.6%	U/TC (Utility/Transp. Corridor)	2,414.70	1,009.00	41.8%
Residential > 3.5 – 5 DU/Acre	9,384.50	283.20	3.0%	GFC (Golf Course)	495.10	50.30	10.2%
Residential > 5 – 8 DU/Acre	2,047.20	223.80	10.9%				
Residential > 8 – 14 DU/Acre	668.70	214.20	32.0%	**TOTAL**	**38,432.10**	**7,940.30**	**20.7%**

Source: Town of Gilbert

Section 4: Economic Modeling

In addition to the analysis of economic forecasts and land use plans, there is value in calculating the economic and fiscal impacts from the various development types that are being considered. In this case, an impact model was created to capture the economic and fiscal benefits from the proposed residential project that also includes some limited retail activities. A second model was created to capture the benefits of the current light industrial and business park designation.

There are qualifiers to this comparison. First, the residential use option has an immediate development opportunity. Construction activity would begin shortly after approval by the Town and construction related revenues would be immediately generated. If a ten year analysis period were used, economic activity would occur in each of the ten years. The employment option may become viable for development next year or in a decade. This is highly speculative. Any short to mid-term analysis will display greater benefits under a use that is of immediate demand. This will favor the residential option.

In this analysis, the proposed residential land use scenario is modeled and statistics are provided over a ten year period. This includes construction impacts as well as enhanced local spending by new area residents. The employment use comparison assumes at least a five year delay development viability. Although, it remains possible that no employment use development occurs at the subject property over the same timeframe. The following narrative explains how these models work and displays the example economic and fiscal impact scenarios.

4.1 Methodology and Assumptions

Impact analyses provide quantifiable methods to estimate the economic and fiscal implications of a particular activity in a given area. Typically, the level of effects resulting from the activity are estimated in terms of output, earnings, employment, and tax revenues. Output captures the broader level of economic activity, or the total value of goods and services produced, in the region similar to how statistics like GDP capture economic volume in individual states and across the country. Earnings simply represents income to employees, and employment is the job count on an annualized basis. The dynamic economic activity is then converted into tax revenues in each of the relevant categories effected.

The economic effects occurring as a direct consequence from the initial activity create additional activity in the economy. This relationship is known as the “multiplier” effect. The basis for multiplier effects is the interdependencies between industries, how one industry impacts other sectors, and the cycle of spending and re-spending within the regional economy. Direct effects are the results of the initial activity being analyzed. For example, this would include the impacts from construction of a manufacturing facility and the employees that later occupy the facility. The multiplier effects, or secondary effects, are measured as either indirect or induced based on their source. Indirect impacts capture additional effects as a result of increased demand in the industries that provide services or products to the direct business or activity under consideration. Induced impacts capture additional effects generated as a result of increased spending in the economy made by the households of both the direct and indirect employees.

Revenues are expressed as either primary or secondary based on their source. Typically, primary revenues can be estimated by definable sources, such as sales taxes generated by construction expenditures;

whereas secondary revenues are generated by the wages, residency and spending of those direct, indirect and induced employees who are supported by the development.

The RCG impact models employ this methodology and uses the input-output model developed by IMPLAN to estimate economic activity and multiplier effects. Applicable local tax rates are then applied to the economic statistics to produce the fiscal impacts (tax revenues).

4.2 Economic and Fiscal Impact of Housing Uses

The following statistics are based on development plans provided by Lennar and industry standards related to construction costs. In total, 561 homes are planned with room for about 77,500 square feet of retail space. Impact summary tables follow the explanatory narrative.

Construction Impact: Construction of these housing units and the retail space would directly support 839 persons earning a combined $52.0 million and generate an economic output of $127.9 million during the construction phase. The indirect and induced effects bring the total number of jobs supported to 1,789. These employees would earn $96.7 million in wages and generate $252.5 million in economic impact.

The Town of Gilbert would collect $1.6 million from construction activity alone. This is directly generated from construction expenditures. Approximately $239,300 is generated by the direct, indirect, and induced jobs supported by construction. In total, Gilbert would collect roughly $1.8 million related to construction activity.

Retail Operations Impact: Once construction is completed, the retail space would support an estimated 91 jobs each year. These employees would earn roughly $3.5 million and generate an economic output of $8.0 million. In total, 139 jobs, $5.8 million in wages, and $14.8 million in economic output would be generated by the commercial operations (includes direct, indirect, and induced impacts).

Each year, the Town would collect an estimated $311,600 from the on-site commercial activity. This is generated from on-site retail sales, taxes levied on utility and leases, property taxes, and state shared revenues. Another $17,500 is generated by the direct, indirect, and induced employees. Annually, the Town would collect an estimated $329,100 from the planned retail activity.

Residential Expenditures Impact: The residents who would occupy the newly constructed housing units would support approximately 291 jobs, $13.8 million in wages, and $37.6 million in economic output.

Gilbert would collect an estimated $189,900 from taxes levied on residential utility use and household spending, property taxes, and state shared revenues. The employees supported by household spending would generate another $37,600 for the Town. In total, approximately $227,500 would be generated for the Town from residential expenditures each year.

Economic Impact Residential/Retail Development			
	Construction	Retail Operations	Residential Expenditures
Direct			
Jobs	839	91	171
Wages	$52,020,100	$3,477,700	$7,915,500
Economic Output	$127,879,800	$7,960,600	$20,759,700
Indirect			
Jobs	484	20	53
Wages	$22,302,500	$986,900	$2,727,500
Economic Output	$60,814,600	$2,975,400	$7,685,600
Induced			
Jobs	467	28	67
Wages	$22,381,200	$1,344,000	$3,199,800
Economic Output	$63,772,500	$3,829,500	$9,117,700
Total			
Jobs	1,789	139	291
Wages	$96,703,700	$5,808,600	$13,842,800
Economic Output	$252,466,900	$14,765,500	$37,563,100

In 2017 dollars. May not sum to total due to rounding.

Source: Rounds Consulting Group, Inc.

Fiscal Impact Residential/Retail Development			
	Construction	Retail Operations	Residential Expenditures
Primary Impact from Operations	$1,568,300	$311,600	$189,900
Construction Sales Tax	$1,557,400	-	-
Utility Sales Tax	-	$2,600	$16,100
Retail Sales Tax	-	$273,400	$39,000
Commercial Lease Tax	-	$20,800	-
Real Property Tax	-	$9,000	$132,800
State Shared Revenues	$10,900	$5,800	$2,000
Secondary Impact from Direct Employees	$118,500	$11,500	$22,600
Employee Spending Sales Tax	$48,300	$4,000	$8,300
Employee Property Tax	$35,100	$3,800	$7,200
State Shared Revenues	$35,100	$3,700	$7,100
Secondary Impact from Indirect & Induced Employees	$120,800	$6,000	$15,000
Employee Spending Sales Tax	$46,500	$2,200	$5,500
Employee Property Tax	$39,700	$2,000	$5,000
State Shared Revenues	$34,600	$1,800	$4,500
Total Fiscal Impact	$1,807,600	$329,100	$227,500

In 2017 dollars. May not sum to total due to rounding.

Source: Rounds Consulting Group, Inc.

The fiscal impact from construction would occur in years 1 and 2. The ongoing fiscal impact from resident spending and retail activities would occur in years 3 through 10. Over the ten year period, these figures sum to $6.3 million.

4.3 Economic and Fiscal Impact of Employment Uses

Using industry standards and the existing land use plan, it is estimated that roughly 1.6 million square feet (an assumed FAR of .29, which may be high) of light industrial, office park, and retail uses could be built at the subject property.

Construction Impact: Construction of this employment space would directly support 750 persons earning a combined $53.7 million and generate an economic output of $120.3 million. Another 611 employees, $32.2 million in wages, and $89.5 million in economic output would be supported by construction activity. In total, an estimated 1,361 jobs, $85.9 million in wages, and $209.8 million in economic output would be generated.

The Town of Gilbert would collect an estimated $1.8 million from construction activity. This is directly generated from construction expenditures. Another $192,500 would be generated by the direct, indirect, and induced jobs supported by construction. In total, Gilbert would collect over $2.0 million from construction activities. This is assumed to occur over years 1 and 2.

Operations Impact: Once construction is completed, the light industrial, office, and retail space would support an estimated 1,543 jobs. These employees would earn roughly $89.7 million and generate an economic output of about $287.4 million. In total, 3,066 jobs, $168.1 million in wages, and $505.7 million in economic output is generated by the commercial operations.

Each year, the Town would collect about $809,500 from the on-site industrial, office, and retail activity. This is generated from on-site retail sales, taxes levied on utility and leases, by property taxes, and State Shared Revenues. Another $412,600 is generated by the direct, indirect, and induced employees. Annually, the Town would collect about $1.2 million from employment use.

Economic Impact
Employment Development

	Construction	Industrial, Office & Retail Operations
Direct		
Jobs	750	1,543
Wages	$53,702,500	$89,665,000
Economic Output	$120,334,000	$287,358,500
Indirect		
Jobs	199	712
Wages	$12,459,700	$39,546,800
Economic Output	$33,196,600	$107,526,500
Induced		
Jobs	412	811
Wages	$19,748,600	$38,890,200
Economic Output	$56,278,900	$110,815,400
Total		
Jobs	1,361	3,066
Wages	$85,910,900	$168,102,000
Economic Output	$209,809,600	$505,700,400

In 2017 dollars. May not sum to total due to rounding.

Source: Rounds Consulting Group, Inc.

Fiscal Impact Employment Development		
	Construction	Industrial, Office & Retail Operations
Primary Impact from Operations	$1,817,600	$809,500
Construction Sales Tax	$1,805,000	-
Utility Sales Tax	-	$66,100
Retail Sales Tax	-	$298,500
Commercial Lease Tax	-	$217,600
Real Property Tax	-	$222,700
State Shared Revenues	$12,600	$4,600
Secondary Impact from Direct Employees	$112,200	$218,000
Employee Spending Sales Tax	$47,300	$85,300
Employee Property Tax	$31,400	$64,500
State Shared Revenues	$33,500	$68,200
Secondary Impact from Indirect & Induced Employees	$80,300	$194,600
Employee Spending Sales Tax	$31,900	$70,600
Employee Property Tax	$25,500	$63,600
State Shared Revenues	$22,900	$60,400
Total Fiscal Impact	$2,010,100	$1,222,100

In 2017 dollars. May not sum to total due to rounding.

Source: Rounds Consulting Group, Inc.

Using the previous approach, and assuming the employment use option would begin after year five, construction impacts would be realized in years 6 and 7. Ongoing operations impacts would be realized in years 8, 9 and 10. Total Town revenue sums to $5.7 million under this alternative scenario. The scenario where nothing is developed over the full ten year period would obviously sum to zero.

It is difficult to directly compare employment use vs. residential use projects because employers need employees (i.e. residents) and residents need jobs (i.e. employers). Thus, there is overlap between the uses. The ideal situation would be for a community to develop both residential and employment use projects concurrently. This project may allow for the proposed residential use development to proceed while other areas within the Town develop additional employment opportunities for these residents. This would allow the Town to benefit from both the residential and employment economic impacts.

Market Assessment of GP18-09: A Request for a Major General Plan Amendment to Change the Land Use Classification of 124.8 Acres of Light Industrial, Business Park and Community Commercial at the NEC of Warner & Recker Roads to Various Classifications of Residential

10/12/2018
Prepared by the
Office of Economic Development
Town of Gilbert, AZ

Table of Contents

List of Tables

List of Exhibits

Executive Summary

- The results of a Land Use Analysis conducted by the Office of Economic Development suggest that the existing nonresidential scenario modestly outperforms the proposed residential scenario in terms of fiscal impacts but significantly outperforms it in terms of socio-economic impacts. Revenues are slightly higher on an annual basis for the proposed scenario but higher expenditures associated with providing services to residents without revenue to offset it drive the net impacts to favor the existing scenario.

- If the subject site is developed as 87.5 acres of Light Industrial, 28.4 acres of Business Park and 8.9 acres of Community Commercial (existing scenario), the Town will gain an estimated 1,515 jobs and nearly 1M square feet of commercial space. Approximately $45M in taxable sales will be generated annually. By contrast the proposed scenario generates only 157 jobs, 69.8K square feet of commercial space and approximately $21M in taxable sales annually.

- An employment to population ratio of 0.37 in comparison to the County's at 0.47 suggests that there is a significant lack of employment opportunities for residents. This is confirmed in the most recent National Citizen Survey (NCS), which found that only 60 percent of residents are satisfied with employment opportunities in the Town. The low ratio underscores the need for business attraction and job creation; losing prime employment land within the Gateway employment corridor jeopardizes the Town's ability to improve the ratio, and add quality employment opportunities for residents.

- The National Citizen Survey also found that 61.0 percent of respondents work outside of Gilbert. An analysis of Census data showed that Gilbert residents endure the longest commutes among East Valley communities at 27.4 minutes. This was nearly two minutes longer than the County mean of 25.6. Ample literature has linked long commutes with a number of risk factors including "financial expense, sedentary behavior, increased pollution, poor sleep quality, exhaustion and low self-rated health". Preservation of prime employment land within the Town's employment corridors would seem an essential first step in attracting jobs to the area enabling residents to reduce their commute times and find employment opportunities within the Town.

- An analysis of industrial diversity in the Town and within the Gateway employment corridor found that there is a need to improve the industry mix thereby improving residents' ability to weather recessions. Today, Gilbert's top two employment sectors by number of jobs are in the low wage supersectors of Retail Trade and Accommodation and Food Services, for which the average annual earnings are $39,273 and $22,231, respectively. In the Gateway corridor, the top two ranking is the same, but unlike the Town, these two supersectors comprise a much larger share of jobs at 61.3 percent.[1]

- The same analysis of employers showed that Light Industrial and Business Park land are associated with jobs in high wage industries such as Construction, Wholesale Trade and Professional, Scientific, and Technical Services. Assuming Light Industrial and Business Park attract the same types of employment that they have elsewhere throughout the Town, there is potential to shift the industry mix in the Gateway corridor toward higher wage industries.

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[1] The respective percentages for the Town for Retail Trade and Accommodation & Food Services were 17.8 and 12.4 percent, respectively.

- An analysis of recent projects from the Arizona Builder's Exchange Database showed that the zip code adjacent to the subject site (Mesa's 85212) is the most active in the metro for construction activity, with $2.0B and 1.4M square feet currently under construction. Another $1.9B and half a million square feet are planned suggesting that the time is right to allow this site to remain designated for employment uses, and find a more appropriate site for residential construction.

- An analysis of projects from the AZBEX database in the completed, under construction or pre-planning, planning or design phases found that the Chandler/North Gilbert industrial submarket is the most active in the Phoenix Metro Area for completed activity, as well as activity under construction. It is the second most active in the MSA for activity in the pre-planning, planning or design phase.

- Mesa's 85212 zip, adjacent to the subject site has been the site of numerous major firm locations such as the Apple iCloud Command Center with several more in the planning phase. Firms tend to cluster around one another to take advantage of labor pooling, existing supply chains and knowledge transfer. As this area is developed, sites like the NEC of Warner and Recker will become more attract to firms wishing to take advantage of agglomeration effects in the area.

- An analysis of commercial real estate statistics from Costar found that the Gateway Airport/202 Submarket is experiencing rising rental rates, record low vacancy rates, and falling turnaround times on for-lease properties. These three signals of strong demand suggest that the market will soon be eager to supply additional commercial space in the area.

- Today, an estimated 2,685 acres of undeveloped, single family residential land exists within the Town, suggesting that ample opportunity exist for the developer to consider an alternative site, rather than seek a rezone of high value employment land inside a designated Town employment corridor.

I. Fiscal and Socio-economic Impacts

a. Fiscal Impacts

The existing land use, consisting of 87.5 acres of Light Industrial (LI), 28.4 acres of Business Park (BP) and 8.9 acres of Community Commercial (CC) was analyzed for its potential fiscal and socio-economic impacts. Results were compared to the proposed scenario of 85.5 acres of Residential 3.5-5, 15.3 acres of Residential 5-8, 15.1 acres of Residential 8-14, and 8.9 acres of Community Commercial (CC). Both scenarios were modelled using the Office of Economic Development's (OED) Land Use Model, developed by Tempe, AZ based Applied Economics. OED Land Use Model results are expressed in terms of General and Street Fund impacts (revenues, expenditures, transfers out and overall net impact), as well as socio economic impacts (jobs, taxable sales, housing units).

Results suggest that the existing nonresidential scenario modestly outperforms the proposed residential scenario in terms of fiscal impacts but the former dramatically outperforms the latter in terms of socio-economic impacts. The ten year net present value of ***net impacts*** to the General and Streets fund of the existing scenario is $3.2M, compared to $2.7M for the proposed scenario. ***Revenues*** are slightly higher on an annual basis for the proposed scenario, but *higher expenditures associated with providing services to residents without revenue to offset it*, drive the net impacts to favor the existing scenario. Tables 1 and 2 below display the fiscal impacts for the existing and proposed scenarios, respectively.

Table 1. Fiscal Summary of Impacts to General and Streets Fund (Existing Nonresidential Scenario)

	Revenues	Expenditures	Transfers Out	Net Impact
2018	$ 1,905,201	$ 1,099,191	$ 64,027	$ 741,984
2019	$ 675,967	$ 349,729	$ 34,718	$ 291,521
2020	$ 682,507	$ 356,463	$ 35,412	$ 290,632
2021	$ 696,057	$ 363,457	$ 36,121	$ 296,479
2022	$ 709,978	$ 370,592	$ 36,843	$ 302,543
2023	$ 724,180	$ 377,871	$ 37,580	$ 308,729
2024	$ 738,665	$ 385,295	$ 38,332	$ 315,039
2025	$ 753,441	$ 392,867	$ 39,098	$ 321,476
2026	$ 768,512	$ 400,591	$ 39,880	$ 328,041
2027	$ 783,884	$ 408,469	$ 40,678	$ 334,737
10YR NPV	**$ 7,662,075**	**$ 4,097,677**	**$ 363,100**	**$ 3,201,298**

Table 2. Fiscal Summary of Impacts to General and Streets Fund (Proposed Residential Scenario)

	Revenues	Expenditures	Transfers Out	Net Impact
2018	$ 3,440,523	$ 2,172,507	$ 89,308	$ 1,178,708
2019	$ 831,582	$ 619,132	$ 18,487	$ 193,963
2020	$ 833,089	$ 630,853	$ 18,857	$ 183,380
2021	$ 849,534	$ 643,079	$ 19,234	$ 187,222
2022	$ 866,527	$ 655,553	$ 19,618	$ 191,356
2023	$ 883,864	$ 668,277	$ 20,011	$ 195,576
2024	$ 901,547	$ 681,256	$ 20,411	$ 199,880
2025	$ 919,584	$ 694,494	$ 20,819	$ 204,271
2026	$ 937,981	$ 707,997	$ 21,236	$ 208,749
2027	$ 956,747	$ 721,769	$ 21,660	$ 213,317
10YR NPV	**$ 10,451,350**	**$ 7,471,077**	**$ 247,477**	**$ 2,732,795**

Table 3 displays the difference (existing impacts minus the proposed) to show the value of the foregone impacts if the residential scenario is chosen. Each cell represents the existing minus proposed impacts. For example, tax revenue (higher in year one due to construction) in 2018 in the proposed residential scenario ($3.4M) is higher than the projected revenue from the development of the existing, nonresidential scenario ($1.9M). This leads to a net impact of -$456,725 in year one. However, as illustrated by positive figures from 2019 onward, the existing nonresidential scenario modestly outperforms the residential scenario. Over the course of ten years, discounted at a 2.0 percent annual rate, the net present value of the existing scenario outperforms the proposed by $468.5K.

Table 3. Fiscal Summary of Impacts to General and Streets Fund (Proposed Residential Scenario)

	Revenues	Expenditures	Transfers Out	Net Impact
2018	$ (1,535,322)	$ (1,073,316)	$ (25,281)	$ (436,725)
2019	$ (155,615)	$ (269,404)	$ 16,231	$ 97,557
2020	$ (150,582)	$ (274,390)	$ 16,556	$ 107,252
2021	$ (153,478)	$ (279,622)	$ 16,887	$ 109,258
2022	$ (156,549)	$ (284,961)	$ 17,225	$ 111,187
2023	$ (159,684)	$ (290,406)	$ 17,569	$ 113,153
2024	$ (162,882)	$ (295,961)	$ 17,921	$ 115,159
2025	$ (166,143)	$ (301,627)	$ 18,279	$ 117,205
2026	$ (169,470)	$ (307,406)	$ 18,645	$ 119,291
2027	$ (172,863)	$ (313,300)	$ 19,017	$ 121,420
10YR NPV	**$ (2,789,275)**	**$ (3,373,400)**	**$ 115,623**	**$ 468,503**

To conclude, both scenarios, the existing nonresidential and proposed residential present a small, yet significant impact to the Streets and General Fund. To leave the land zoned as it is (LI, BP, and CC), assuming it is developed, modestly outperforms the proposed scenario in terms of net fiscal impacts.

b. Socio-economic Impacts

The socio-economic impacts produced by the land use model favor the existing nonresidential scenario in terms of jobs created, commercial space added and taxable sales. If developed as 87.5 acres of LI, 28.4 acres of BP and 8.9 acres of CC (existing scenario), the Town will gain an estimated 1,515 jobs and nearly 1M square feet of commercial space.[2] Approximately $45M in taxable sales will be generated annually.

By contrast, the proposed scenario generates 157 jobs, due largely to the presence of 8.9 acres of CC.[3] The estimated taxable sales drop to $21M, annually. Tables 4 and 5 display the socio-economic results for the existing and proposed scenario, respectively. Table 6 displays the difference (existing minus proposed scenario). Table 6 can be interpreted as a form of opportunity cost. The existing minus proposed scenario illustrates the cost (measured in jobs and taxable sales lost), of choosing the residential scenario.

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[2] Section II(c) below offers additional detail on the types of jobs associated with LI development.
[3] Community commercial jobs are typically in retail trade.

Table 4. Socioeconomic Impact Summary (Existing Nonresidential Scenario)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Housing Units	-	-	-	-	-	-	-	-	-	-
Population	-	-	-	-	-	-	-	-	-	-
Employment*	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515
Total Nonresidential SQFT	911,493	911,493	911,493	911,493	911,493	911,493	911,493	911,493	911,493	911,493
Retail Square Feet	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783
Police Officers	1	1	1	1	1	1	1	1	1	1
City FTEs	4	4	4	4	4	4	4	4	4	4
Taxable Sales**	$ 41.3	$ 42.2	$ 43.0	$ 43.9	$ 44.7	$ 45.6	$ 46.6	$ 47.5	$ 48.4	$ 49.4
Taxable Construction**	$ 40.7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Assessed Value**	-	-	57	59	60	61	62	63	65	66
City Maintained Roads	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89

Sources: Applied Economics, 2018
*Non-construction
**Units: Millions. ***Units: Miles

Table 5. Socioeconomic Impact Summary (Proposed Residential Scenario)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Housing Units	575	575	575	575	575	575	575	575	575	575
Population	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
Employment*	157	157	157	157	157	157	157	157	157	157
Total Nonresidential SQFT	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783
Retail Square Feet	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783	69,783
Police Officers	2	2	2	2	2	2	2	2	2	2
City FTEs	8	8	8	8	8	8	8	8	8	8
Taxable Sales**	$ 19.2	$ 19.6	$ 20.0	$ 20.4	$ 20.8	$ 21.2	$ 21.6	$ 22.1	$ 22.5	$ 23.0
Taxable Construction**	$ 96.6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Assessed Value**	-	-	104	106	108	111	113	115	117	120
City Maintained Roads	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90

Sources: Applied Economics, 2018
*Non-construction
**Units: Millions. ***Units: Miles

Table 6. Socioeconomic Impact Summary (Existing Minus Proposed Residential Impacts)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Housing Units	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)
Population	(1,528)	(1,528)	(1,528)	(1,528)	(1,528)	(1,528)	(1,528)	(1,528)	(1,528)	(1,528)
Employment*	1,358	1,358	1,358	1,358	1,358	1,358	1,358	1,358	1,358	1,358
Total Nonresidential SQFT	841,710	841,710	841,710	841,710	841,710	841,710	841,710	841,710	841,710	841,710
Retail Square Feet	-	-	-	-	-	-	-	-	-	-
Police Officers	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
City FTEs	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Taxable Sales**	$ 22.1	$ 22.6	$ 23.0	$ 23.5	$ 24.0	$ 24.4	$ 24.9	$ 25.4	$ 25.9	$ 26.4
Taxable Construction**	$ (55.9)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Assessed Value**	-	-	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
City Maintained Roads	(2.01)	(2.01)	(2.01)	(2.01)	(2.01)	(2.01)	(2.01)	(2.01)	(2.01)	(2.01)

Sources: Applied Economics, 2018

*Non-construction

**Units: Millions. ***Units: Miles

II. Labor Market Considerations

a. Employment to Population Ratios

In the market assessment conducted on behalf of the applicant, the consultant noted that the current employment to population ratio for Gilbert, according to 2015 figures from the Maricopa Association of Governments, is 0.37. This was ten percentage points below the ratio for Maricopa County at 0.47. A ratio described (by the consultant) as reasonable for the Town of Gilbert is 0.75, and a stable ratio for the County is said to be 0.5. Finally, it is noted that Town land use plans imply a ratio going forward of 1.14. The apparent conclusion is that the ratio of 1.14 implied in Gilbert's land use plans is overly optimistic. Given that a *reasonable* ratio is 0.75 it is concluded that Gilbert has a surplus of employment land.

Let us consider the implications of an employment to population ratio of 0.37. This means that there are 0.37 jobs for every member of the population. Another way to look at it is that 37 percent of the population has a job in Gilbert. A ratio of 0.75 would mean that there are 0.75 jobs for every member of the population. The Town's implied ratio, in other words, the ratio that would exist at build out given current land use plans, of 1.14 would mean that there are 1.14 jobs for every resident. It is also important to consider that Gilbert is not at, and may never achieve 1.14, but as the consultant's calculation shows, Gilbert is far below our implied ratio (of 1.14) at 0.37.

The importance of the employment to population ratio is illustrated by a recent paper by the Congressional Research Service. Donovan, S (2015) notes that, all things held constant, an increase in the ratio is indicative of a simultaneous rise in labor force participation and decline in unemployment. In other words, a higher ratio is a sign of economic health. The most recent figures from the Bureau of Labor Statistics place the national ratio at 0.61.[4] ***A ratio of 0.37 suggests that there is a significant lack of employment opportunities for residents***. And what do we know about residents' feelings toward employment opportunities in the Town? According to the most recent National Citizen Survey, ***only 60 percent of residents are satisfied*** with the current state of employment opportunities within the Town (p. 4).[5] This means that ***40 percent, or nearly half of the population, is not satisfied with the current state of employment opportunities within the Town***.

Again, per the developer's market assessment, the employment to population ratio for the Town (0.37) is lower than that of the County (0.47). On p. 8, even the consultant states that "*if an area yields a ratio that is relatively low compared to the larger region, it is possible that local planning exercises should consider additional employment uses*". Our ratio *is lower than the larger area*, fully ten percentage points lower, and while zoning land for employment uses does not guarantee that employers will come, losing prime employment land jeopardizes the Town's ability to improve the ratio as well as employment opportunities for residents.

It also appears that the consultant has used total population as the denominator in the employment to population ratio calculation. It is customary to use the working age (15-64) or prime working age (25-64)

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[4] U.S. Bureau of Labor Statistics. Employment to Population Ratios. Retrieved from: https://data.bls.gov/timeseries/LNS12300000

[5] National Citizen Survey (2017), Community Livability Report, Gilbert, AZ. Retrieved from: https://www.gilbertaz.gov/home/showdocument?id=22993

population, rather than total to compute employment to population ratios.[6] Given Gilbert's higher than average family size (3.15 compared to 2.75 for the County), this skews results, as an inflated denominator makes the employment to population ratio appear lower.

b. Net Commuters

As noted above, the National Citizen Survey (NCS) revealed that 40.0 percent of Gilbert residents are not satisfied with employment opportunities in the Town. The NCS also found that 61.0 percent of respondents work outside of Gilbert. An analysis of Census data suggests that Gilbert residents have unusually high commutes, indicating that this dissatisfaction is likely due to the general lack of jobs in the community. Gilbert residents endure the longest mean travel time to work (in minutes) among East Valley communities at 27.4 minutes. This is *nearly* 2 minutes longer than the County mean of 25.6.[7] Commute times by East Valley City, the City of Phoenix, and Maricopa County are displayed below in table 7.

Table 7. Mean Travel Time to Work in Minutes

City	Minutes
Gilbert	27.4
Maricopa County	25.6
Phoenix	25.1
Mesa	24.9
Chandler	23.7
Scottsdale	22.2
Tempe	20.7

U.S. Census Bureau ACS 5YR Estimates (2016)

Adding jobs is one way to lower commute times for Gilbert residents and in the process, ***improve the health and social well-being of residents***. Empirical research has shown that not only do long commutes detract from worker quality of life but they can also have a negative impact on worker health.

- A recent report by the University of Minnesota Rural Health Research Center associated long commutes with financial expense, sedentary behavior and increased pollution.[8]
- Yang, J. and French, S. (2013) found a correlation between travel behavior and body mass index (BMI), suggesting that long commutes are associated with obesity and its associated impacts (Heart Disease, Stroke).[9]
- Hansson, E. et. al. (2015) found that "health outcomes most clearly associated with commuting were perceived poor sleep quality, exhaustion (low vitality) and low self-rated health".[10]

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[6] The Bureau of Labor Statistics defies the ratio as the "Proportion of the civilian noninstitutionalized population aged 16 years and over that is employed". See: https://www.bls.gov/bls/glossary.htm#E
[7] U.S. Census Bureau, American Community Survey (ACS) 5-YR Estimates (2016)
[8] Henning-Smith, C., Kozhimannil, K., & Evenson, A. (2018). Addressing Commuting as a Public Health Issue: Strategies Should Differ by Rurality.
[9] Yang, J., & French, S. (2013). The Travel—Obesity Connection: Discerning the Impacts of Commuting Trips with the Perspective of Individual Energy Expenditure and Time Use. Environment and Planning B: Planning and Design, 40(4), 617-629.
[10] Hansson, E., Mattisson, K., Björk, J., Östergren, P. O., & Jakobsson, K. (2011). Relationship between commuting and health outcomes in a cross-sectional population survey in southern Sweden. BMC public health, 11(1), 834.

Long commute times would suggest that the Town is a net exporter of workers. This can be verified by looking at net commuters, which is computed by subtracting resident workers from jobs. The resulting number can be positive or negative. For example, a figure of 100 means that 100 workers are entering Gilbert for work each day. A figure of -100 means that 100 leave for work each day. As shown in table 8 below, the figure for Gilbert is -34,548. In other words, over 30K residents must leave Town to find work each day. Gilbert joins only Mesa among East Valley communities with greater than -34K net commuters. Chandler also had a negative number, but much lower at -7,645.

Table 8. Jobs, Resident Workers and Net Commuters in 2018

Name	Jobs	Resident Workers	Net Commuters
Phoenix	800,831	607,250	193,586
Tempe	207,340	83,483	123,858
Maricopa County	1,981,034	1,871,943	109,088
Scottsdale	224,919	138,152	86,770
Chandler	130,316	137,962	-7,645
Gilbert	87,557	122,105	-34,548
Mesa	188,974	226,183	-37,207

Source: EMSI, 2018

Preservation of prime employment land would seem an essential first step in attracting jobs to the area, enabling more residents to find work in Town. Success would be indicated by a rising employment to population ratio, and lowering of net commuters (in our case an approach toward zero). As illustrated in table 8 above, the City of Tempe imports 123,586 workers each day, and the mean travel time to work is 6.7 minutes below that of Gilbert. Adding jobs doesn't just reduce commuting. As a community becomes a net importer of workers, and the employment to population ratio approaches 1, labor markets tighten, and wage growth can occur. [11]

c. Diversification of the Employment Base

Today, Gilbert's top three employment sectors by number of jobs are Retail Trade, Accommodation and Food Services, and Health Care and Social Assistance, for which the average annual earnings are $39,273, $22,231, and $67,359, respectively. With the exception of Health Care & Social Assistance, Gilbert's top two industries have average annual earnings well below the median for all occupations in Gilbert (which was $56,680 in 2018).[12] The Northwest Employment corridor, with its well-developed industrial diversity has as its top three Manufacturing, Construction and Retail Trade, in which the average annual earnings are $63,132, $66,669, and $39,273, respectively.

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[11] A low satisfaction rating of economic opportunities by residents in Gilbert (per the NCS Survey) would also suggest that wage growth is stubbornly low. This has been a national trend since the Great Recession. This article by the Brookings Institution outlines 13 reasons why: Shambaugh, J., Nunn, R., Liu, P., & Nantz, G. (2017). Thirteen Facts about Wage Growth.
On wage growth in response to a tight labor market, MIT economics professor N.G. Mankiw uses labor shortages to illustrate the concept that factor prices equal the marginal products of the factors of production. ***Mankiw, N. G. (2014). Principles of Macroeconomics. Cengage Learning. P. 56***
Recent evidence from analyses of the labor market in China have associated labor shortages with wage growth for workers. See ***Zhang, X., Yang, J., & Wang, S. (2011). China has reached the Lewis turning point. China Economic Review, 22(4), 542-554***.
[12] Not to be confused with Household Income, these figures represent earnings for individuals in a particular industry.

In order to fully understand the implications of this land use change, and how it factors into the Town's goals for employment growth, diversification of its industrial base, and wage growth, it is important to assess what types of employment have been historically attracted to Light Industrial land (as this site comprises 87.5 acres of it). A GIS analysis of 2017 data on employers from the Maricopa Association of Governments found that the development of Light Industrial (LI) land is associated with jobs in high wage industries. Development of Light Industrial in the Gateway corridor, if it attracts the same type of industries that have been attracted elsewhere in the Town, will serve to diversify the corridor's industrial base, better enabling residents to weather recessions.[13]

Today, there are 372 companies located on 1,501 acres of Light Industrial land throughout Gilbert. The top five industries represented on Light Industrial land were Construction, Manufacturing, Wholesale Trade, Professional, Scientific and Technical Services, and Administrative & Support Services. The average annual earnings for the top 5 industries ranked by the number of companies is displayed in table 9 below.

Table 9. Top Five Industries by Number of Establishments Occupying Light Industrial Land (2018)

Industry	Companies	Avg Earnings	# Employees
Construction	92	$66,699	3,598
Manufacturing	73	$63,132	2,332
Wholesale Trade	53	$86,155	1,018
Professional, Scientific, and Technical Services	33	$89,829	2,417
Administrative and Support Services	31	$44,255	975

Source: MAG, 2018; Town of Gilbert GIS Data; EMSI, 2018

Ranking by number of employees pushed professional, scientific and technical services to the number two spot. The point is, if the Town wills that this land be developed as Light Industrial, and maintains the current trajectory of the types of employers attracted to Light Industrial, there is a likelihood that the jobs attracted will be in high wage industries such as Construction, Professional, Scientific and Technical Services, Manufacturing, and Wholesale Trade.

The site also contains a large chunk of Business Park (BP). The GIS analysis showed that the Town's BP zoned land is home to 46 companies and 1,333 employees. The top three industries located on BP land were Health Care & Social Assistance, Finance & Insurance, and Professional, Scientific and Technical Services for which the average annual wages were $67,359, $88,515 and $89,829. Table 10 below shows the top five industries by number of establishments that occupy land zoned as Business Park (BP) in the Town.

[13] A diverse mix of industries means the economy is less susceptible to business cycle shocks, and workers can apply the transferability of their skills to different industries. See Malizia, E. E., & Ke, S. (1993). The influence of economic diversity on unemployment and stability. Journal of Regional Science, 33(2), 221-235.

Table 10. Top Five Industries by Number of Establishments Occupying Business Park Land (2018)

Industry	Companies	Avg Earnings	# Employees
Health Care & Social Assistance	17	$67,359	721
Finance & Insurance	10	$88,515	229
Professional, Scientific and Technical Services	7	$89,829	121
Transportation & Warehousing	2	$68,066	76
Manufacturing	2	$63,132	66

Source: MAG, 2018; Town of Gilbert GIS Data

Tables 9 and 10 above illustrate the type of businesses and jobs Gilbert has, as a Town, historically attracted and located on Light Industrial and Business Park land. It follows, therefore, that these are the types of jobs that may be attracted to the Warner & Recker site, if the land remains zoned for employment uses.

d. Gateway Corridor Industrial Diversity

This begs the question, what does the Gateway corridor's industry mix currently look like, and would the addition of jobs in these *high wage* industries benefit the Gateway corridor's mix?

Table 11. Number and Percent of Employees by NAICS Supersector by Corridor (2018)

	Gateway		Town of Gilbert	
NAICS Supersector	Employees	Percent	Employees	Percent
Accommodation & Food Services	700	34.79%	8,168	12.37%
Retail Trade	534	26.54%	11,721	17.75%
Health Care & Social Assistance	161	8.00%	7,149	10.83%
Educational Services	140	6.96%	7,007	10.61%
Construction	120	5.96%	5,228	7.92%
Other Services (except Public Admin)	69	3.43%	4,521	6.85%
Real Estate, Rental & Leasing	47	2.34%	2,788	4.22%
Administrative, Support & Waste Mgmt	42	2.09%	1,925	2.92%
Finance & Insurance	41	2.04%	2,274	3.44%
Professional, Scientific & Tech Services	38	1.89%	2,861	4.33%
Transportation & Warehousing	36	1.79%	2,254	3.41%
Manufacturing	32	1.59%	4,281	6.48%
Wholesale Trade	18	0.89%	1,522	2.31%
Information	12	0.60%	1,209	1.83%
Public Administration	11	0.55%	1,417	2.15%
Arts, Entertainment & Recreation	10	0.50%	1,383	2.09%
Agriculture, Forestry, Fishing & Hunting	1	0.05%	116	0.18%
Mining	-	0.00%	9	0.01%
Utilities	-	0.00%	143	0.22%
Management of Companies & Enterprises	-	0.00%	41	0.06%
	2,012	1.00	66,017	1.00

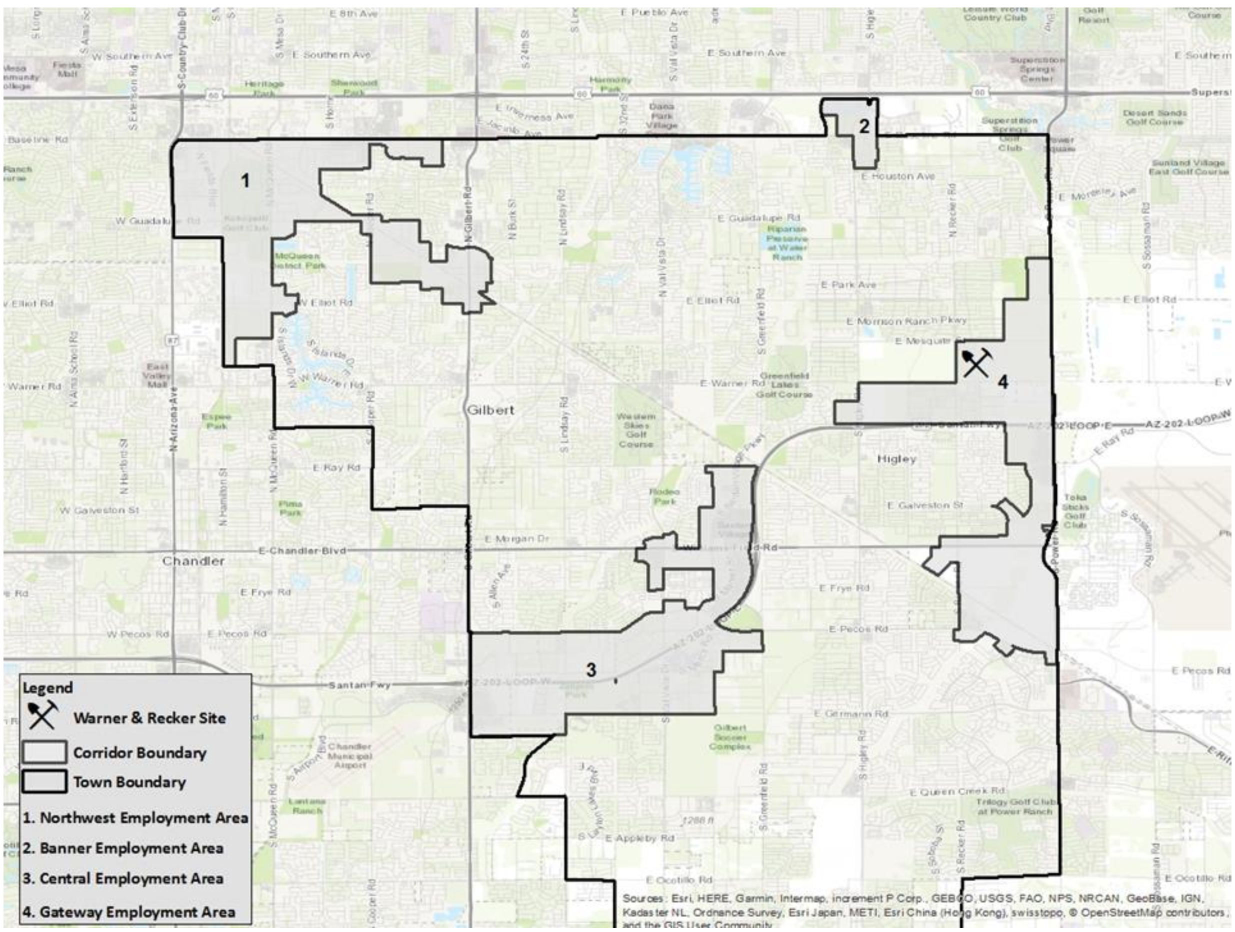
Table 11 above shows the current industry mix for the Gateway corridor with a benchmark to the Town. The top three industries in the Gateway corridor are Accommodation & Food Services, Retail Trade and

Health Care & Social Assistance, for which the average annual wages were $22,231, $39,273, and 67,359, respectively. The fact that the top industry, comprising 34.8 percent of jobs in the Gateway corridor, is in the lowest wage NAICS Supersector (Accommodation & Food Services), shows that there is much work to be done especially in the Gateway corridor to shift the concentration of jobs toward high wage industries. ***Allowing the Warner & Recker site to remain designated for employment uses leaves the door open to make this a reality.***

III (a). Commercial Construction Trends Surrounding the Subject Site

The subject site at the northeast corner of Warner Road and Recker Road sits fully within the Town of Gilbert's Gateway employment corridor. A map depicting the site in relation to the Town's employment corridors is displayed below in exhibit 1.

Exhibit 1. Subject Site in Relation to Town of Gilbert Employment Corridors



Employment corridors represent contiguous areas of non-residential land that the Town, through the municipal planning process, has designated for employment uses. The developer has noted in past meetings, and the consultant notes on (on page, 2) that the site has faced the following challenges:

- *"The prior owner Rockefeller Group advised that a number of companies have considered the site but rejected it due to its location"*

- *"The Mesa Gateway area will be a major competitor for larger scale business locations"*

Despite past challenges (especially in the wake of the recession), recent data from the Arizona Builder's Exchange database indicates that this area is becoming one of the most active markets for new Industrial, Office, Mixed-Use and Retail space.

In the analysis that follows, valuation and square feet were tabulated by Zip Code rather than typical submarkets like the Costar Gateway Airport/202 Submarket, as this allowed finer grain analysis of the distribution of projects. An additional tabulation of AZBEX construction data by Costar industrial submarkets was also conducted. Results are presented after the tabulation by zip code in section III (b) below.

a. Recently Completed Projects

A zip code based GIS Analysis of construction projects recently completed[14] in the Phoenix Metropolitan Statistical Area shows that the subject site is adjacent to Mesa's 85212, one of the most active zip codes in the Valley.[15] The top ten zip codes for completed commercial development (Industrial, Office, Mixed Use, Retail) ranked by dollar value and square feet are displayed below in tables 12 and 13, respectively. Map 2 below shows the location of the subject site in relation to 85212; darker shades indicate higher dollar values.

Table 12. Top Ten Zip Codes for Commercial Construction Activity Ranked by Valuation (Completed)

Zip Code	Valuation	Square Feet
85212	$ 926,000,000	1,988,000
85281	$ 392,033,631	2,747,809
85226	$ 226,902,118	162,322
85022	$ 200,000,000	1,350,360
85338	$ 131,000,000	1,383,088
85050	$ 117,000,000	61,992
85395	$ 110,000,000	1,100,000
85037	$ 109,900,000	3,184,354
85286	$ 89,300,000	664,381
85253	$ 74,919,364	1,051,838

Notes: Commercial Construction includes Industrial, Office, Mixed Use and Retail

Source: Arizona Builder's Exchange, 2018

[14] "Recently" here is defined as projects in the AZBEX database that have been updated within CY 2018.

[15] Here, the "Gateway Airport/202 Submarket" as defined by Costar. This submarket is

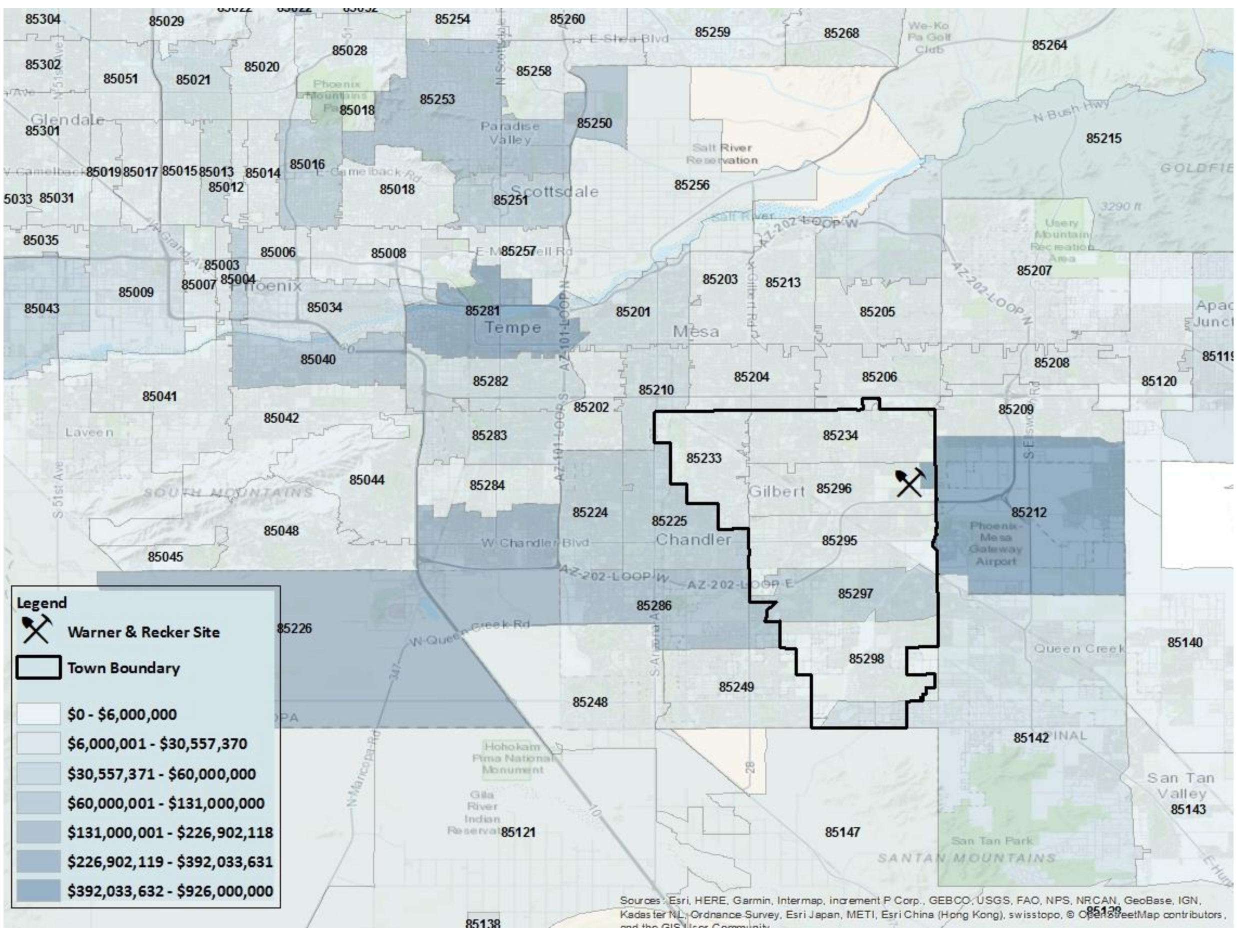
Table 13. Top Ten Zip Codes for Commercial Construction Activity Ranked by Square Feet (Completed)

Zip Code	Valuation	Square Feet
85037	$ 109,900,000	3,184,354
85281	$ 392,033,631	2,747,809
85212	$ 926,000,000	1,988,000
85043	$ 60,000,000	1,500,000
85338	$ 131,000,000	1,383,088
85022	$ 200,000,000	1,350,360
85395	$ 110,000,000	1,100,000
85253	$ 74,919,364	1,051,838
85307	$ 40,000,000	1,000,000
85286	$ 89,300,000	664,381

Notes: Commercial Construction includes Industrial, Office, Mixed Use and Retail

Source: Arizona Builder's Exchange, 2018

Exhibit 2. Subject Site in Relation to Completed Construction by Zip Code



Much of the $926M in construction activity and addition of 2M square feet in Mesa's 85212 has been in the Elliot Road Corridor which is directly to the northeast of the subject site, roughly comprising the northern third of the 85212 zip code.

b. Commercial Construction in Progress

Ranking zip codes by dollar value currently under construction placed Mesa's 85212 first among zip codes in the Phoenix MSA with $2B in valuation currently under construction. Ranking by square feet placed the same zip (85212) fifth in the MSA. The top ten zip codes ranked by valuation and square feet are displayed in tables 14 and 15, respectively. The location of the subject site in relation to valuation under construction by zip code is displayed below in exhibit 3.

Table 14. Top Ten Zip Codes for Commercial Construction Activity Ranked by Valuation (Under Construction)

Zip Code	Valuation	Square Feet
85212	$ 2,020,000,000	1,429,916
85281	$ 1,107,923,449	6,079,456
85248	$ 1,000,000,000	-
85008	$ 515,000,000	345,000
85006	$ 480,000,000	784,000
85305	$ 432,500,000	119,352
85035	$ 304,175,000	35,220
85122	$ 300,000,000	1,500,000
85004	$ 270,692,444	1,657,800
85323	$ 218,000,000	71,996

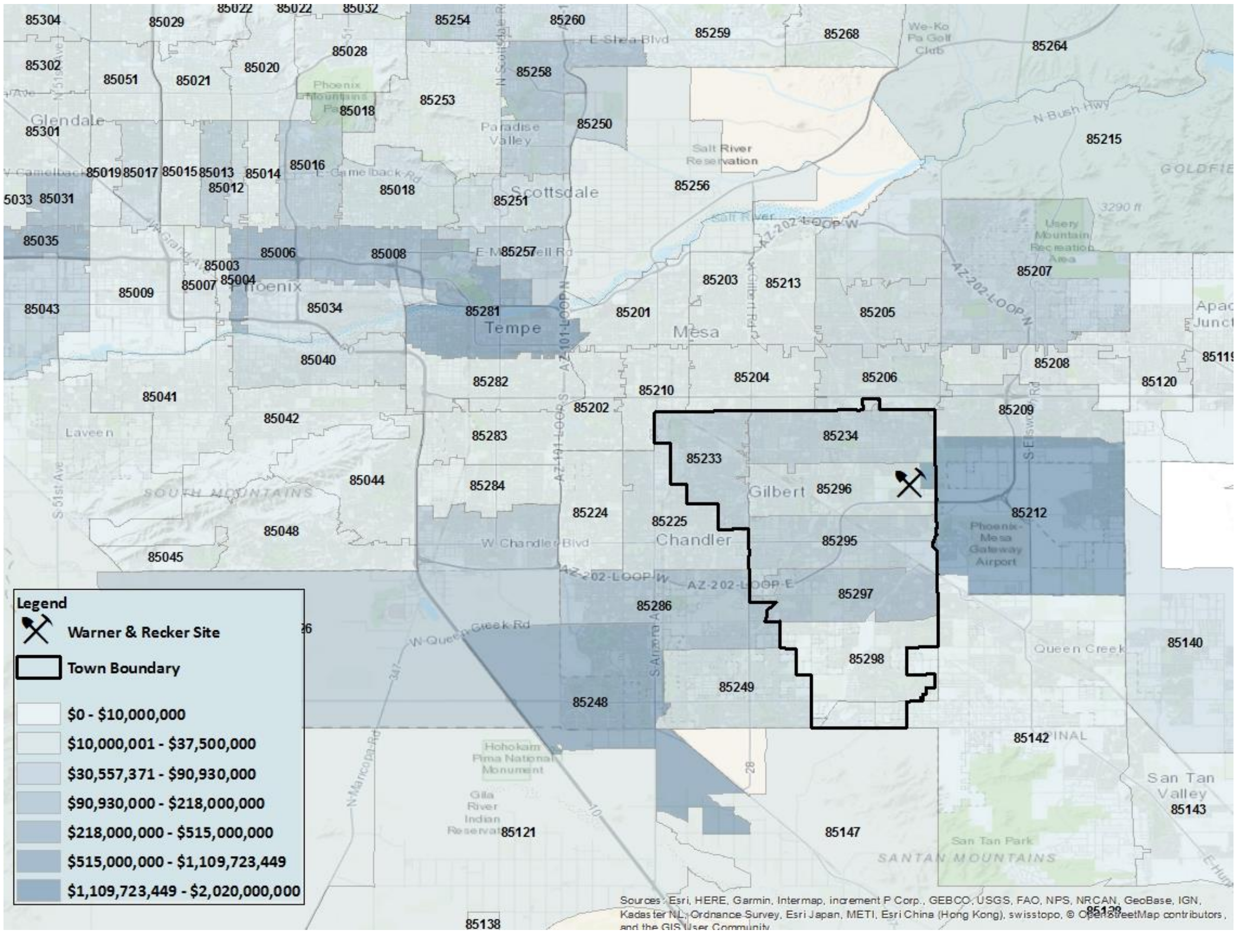
Notes: Commercial Construction includes Industrial, Office, Mixed Use and Retail
Source: Arizona Builder's Exchange, 2018

Table 15. Top Ten Zip Codes for Commercial Construction Activity Ranked by Square Feet (Under Construction)

Zip Code	Valuation	Square Feet
85281	$ 1,107,923,449	6,079,456
85286	$ 136,994,044	1,792,680
85004	$ 270,692,444	1,657,800
85122	$ 300,000,000	1,500,000
85212	$ 2,020,000,000	1,429,916
85043	$ 49,468,235	1,032,951
85338	$ 42,516,911	901,699
85395	$ 107,000,000	865,457
85006	$ 480,000,000	784,000
85297	$ 119,000,000	678,920

Notes: Commercial Construction includes Industrial, Office, Mixed Use and Retail
Source: Arizona Builder's Exchange, 2018

Exhibit 3. Subject Site in Relation to Activity under Construction by Zip Code



c. Commercial Activity in the Pre-Planning, Planning or Design Phase

As in tables 12-15 above, valuation and square feet displayed below only include Industrial, Office, Mixed Use and Retail projects. Tables 16 and 17 below include only projects in the pre-planning, planning or design phase. Again, 85212 ranks high among zip codes in the Phoenix MSA, placing third in valuation in the pre-planning, planning or design phase. In table 17, zip code 85212 did not make the top ten list in planned activity ranked by square feet but still ranked 19th among 156 zip codes.[16] The subject site in relation to construction activity in the pre-planning, planning or design phase is displayed below in exhibit 4.

Table 16. Top Ten Zip Codes for Commercial Construction Activity Ranked by Valuation (Planned)

Zip Code	Valuation	Square Feet
85122	$ 5,100,000,000	102,801,600
85253	$ 2,058,000,000	1,802,700
85212	$ 1,878,000,000	573,808
85008	$ 1,576,000,000	514,104
85396	$ 1,000,000,000	1,000,000
85281	$ 834,500,000	5,044,965
85201	$ 721,000,000	1,858,131
85193	$ 700,000,000	500,000
85004	$ 573,000,000	959,000
85340	$ 313,000,000	1,693,970

Notes: Commercial Construction includes Industrial, Office, Mixed Use and Retail
Source: Arizona Builder's Exchange, 2018

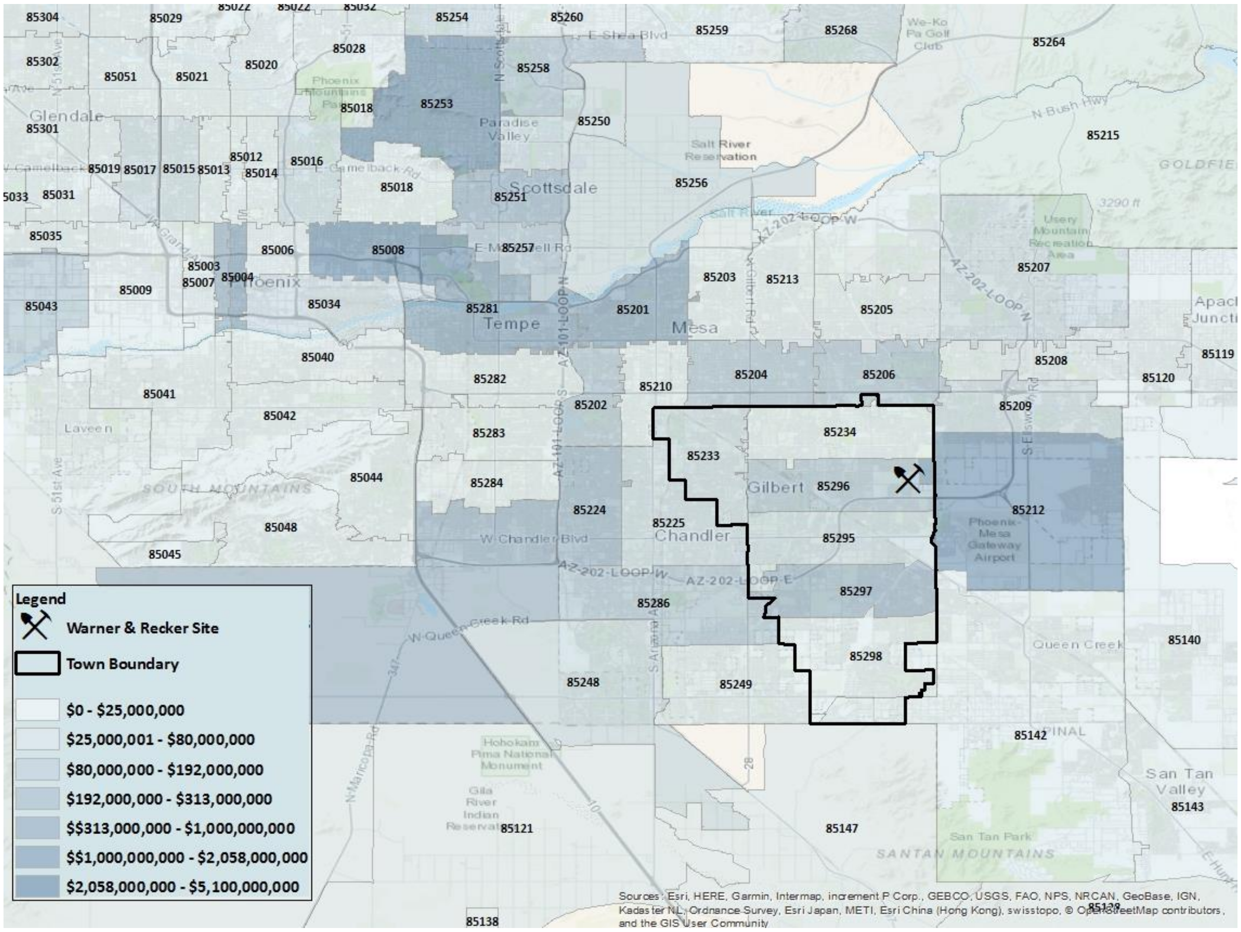
Table 17. Top Ten Zip Codes for Commercial Construction Activity Ranked by Square Feet (Planned)

Zip Code	Valuation	Square Feet
85122	$ 5,100,000,000	102,801,600
85338	$ 106,000,000	8,303,681
85281	$ 834,500,000	5,044,965
85206	$ 106,000,000	2,991,454
85201	$ 721,000,000	1,858,131
85253	$ 2,058,000,000	1,802,700
85340	$ 313,000,000	1,693,970
85226	$ 300,000,000	1,603,200
85353	$ 125,000,000	1,070,472
85251	$ 295,000,000	1,060,524

Notes: Commercial Construction includes Industrial, Office, Mixed Use and Retail
Source: Arizona Builder's Exchange, 2018

[16] Some projects in the planning phase may not have all fields, such as square feet, populated until later in the project development process.

Exhibit 4. Subject Site in Relation to Construction in the Pre-Planning, Planning or Design Phase by Zip Code



III (b). Tabulation by Costar Industrial Submarkets

Costar defines the region in which the subject site is located as the Chandler/N Gilbert industrial submarket. Exhibits 5-7 below illustrate the location of the subject site in relation to this market. An analysis of projects from the AZBEX database in the completed, under construction or pre-planning, planning or design phases found that the Chandler/N Gilbert industrial submarket is the most active in the Phoenix Metro Area for completed activity, as well as activity under construction. It is the second most active in the MSA for activity in the pre-planning, planning or design phase.

a. Completed Activity

According to a GIS analysis of AZBEX data by Costar industrial submarket, the valuation of recent construction projects (Industrial, Office, Retail and Mixed Use) totaled $1.0B in the Chandler/N Gilbert submarket, ranking it first among submarkets in the Phoenix MSA. Ranking by square footage added in these sectors, the Chandler N/Gilbert submarket placed second at $2.7M, behind the Central Phoenix submarket at $4.6M.

The top ten Costar industrial submarkets for completed construction activity in the areas of Industrial, Office, Retail and Mixed-Use are displayed in table 18 below. The same submarkets ranked by square footage are displayed in table 19. A map depicting the subject site in relation to each submarket, along with a proportional dot density map showing the concentration (each dot represents the percent of total MSA activity) of activity by submarket is displayed in exhibit 5 below.

Table 18. Completed Construction Activity by Costar Industrial Submarket (Ranked by Valuation)

Industrial Submarket	Valuation	Square Feet
Chandler/N Gilbert	$ 1,004,000,000	2,652,000
Tempe NW	$ 378,750,000	2,649,352
Central Phoenix	$ 342,000,000	4,639,041
Chandler	$ 265,820,996	431,830
Goodyear	$ 221,000,000	1,983,088
Deer Valley/ Pinnacle Peak	$ 210,833,321	1,662,200
Glendale	$ 209,900,000	2,345,504
Tolleson	$ 150,000,000	1,725,000
Chandler Airport	$ 125,300,000	847,765
Scottsdale/Salt River	$ 110,021,267	702,507

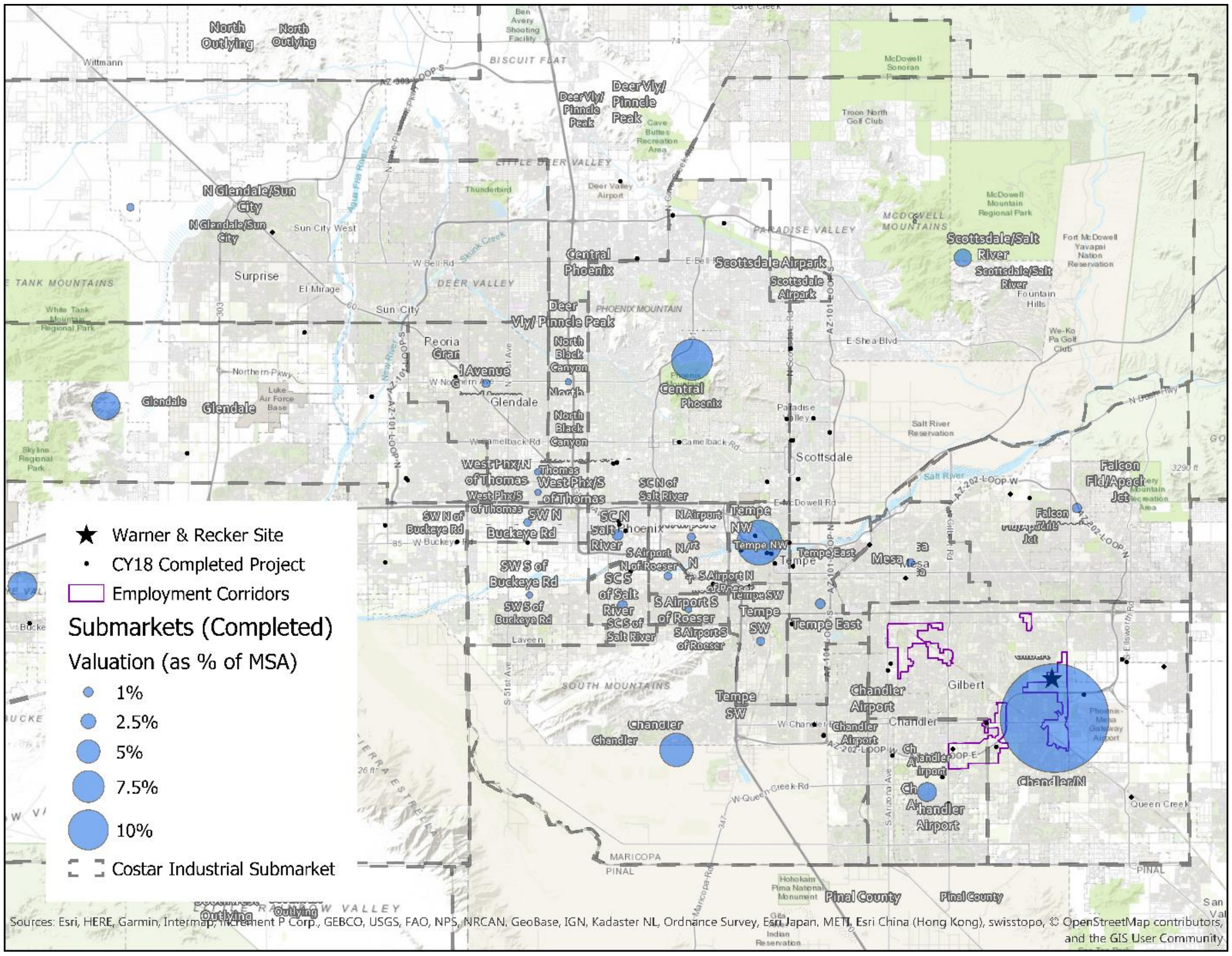
Source: OED Analysis of Arizona Builder's Exchange Data
Time Period: Projects with an Update Date within CY 2018

Table 19. Completed Construction Activity by Costar Industrial Submarket (Ranked by SQFT)

Industrial Submarket	Valuation	Square Feet
Central Phoenix	$ 342,000,000	4,639,041
Chandler/N Gilbert	$ 1,004,000,000	2,652,000
Tempe NW	$ 378,750,000	2,649,352
Glendale	$ 209,900,000	2,345,504
Goodyear	$ 221,000,000	1,983,088
Tolleson	$ 150,000,000	1,725,000
Deer Valley/ Pinnacle Peak	$ 210,833,321	1,662,200
Chandler Airport	$ 125,300,000	847,765
Scottsdale/Salt River	$ 110,021,267	702,507

Source: OED Analysis of Arizona Builder's Exchange Data
Time Period: Projects with an Update Date within CY 2018

Exhibit 5. Completed Construction Activity by Costar Industrial Submarket (Valuation)



Note: Proportional dots represent each submarket's percentage of total activity in the Phoenix Metro Area

b. Commercial Activity Under Construction

The $2.4B currently under construction in the Chandler/N Gilbert industrial submarket ranked it first among submarkets in the Phoenix Metro Area. With 2.5M SQFT currently under construction, ranking by square feet placed the Chandler/N Gilbert submarket second behind Tempe NW (3.3M SQFT). Tables 20 and 21 below display the top ten Costar industrial submarkets for activity currently under construction ranked by valuation (table 20) and square feet (table 21), respectively.

Table 20. Construction Activity Under Construction by Costar Industrial Submarket (Ranked by Valuation)

Industrial Submarket		Valuation	Square Feet
Chandler/N Gilbert	$	2,242,500,000	2,484,630
Tempe NW	$	1,297,000,000	3,302,220
Chandler	$	1,218,194,044	2,296,050
SC N of Salt River	$	760,692,444	2,441,800
Glendale	$	596,675,000	1,332,565
Pinal County	$	533,000,000	1,827,833
Tolleson	$	489,838,520	359,040
Scottsdale/Salt River	$	364,932,170	1,435,497
Central Phoenix	$	254,883,378	891,261
N Glendale/Sun City	$	197,430,000	670,666

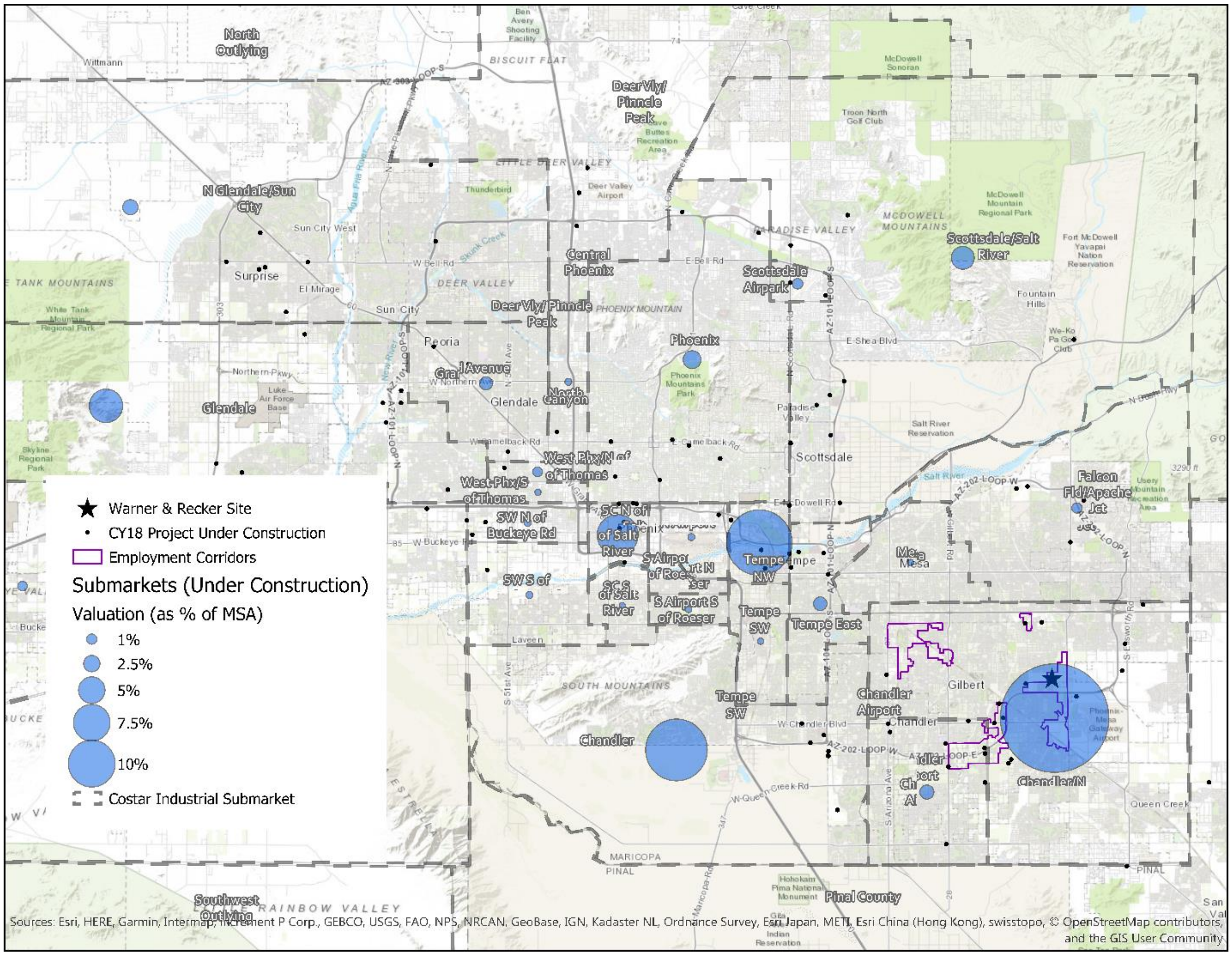
Source: OED Analysis of Arizona Builder's Exchange Data
Time Period: Projects with an Update Date within CY 18

Table 21. Construction Activity Under Construction by Costar Industrial Submarket (Ranked by SQFT)

Industrial Submarket		Valuation	Square Feet
Tempe NW	$	1,297,000,000	3,302,220
Chandler/N Gilbert	$	2,242,500,000	2,484,630
SC N of Salt River	$	760,692,444	2,441,800
Chandler	$	1,218,194,044	2,296,050
Tempe East	$	160,923,449	2,174,236
Pinal County	$	533,000,000	1,827,833
Scottsdale/Salt River	$	364,932,170	1,435,497
Glendale	$	596,675,000	1,332,565
Goodyear	$	72,516,911	946,219
Chandler Airport	$	171,850,000	897,520

Source: OED Analysis of Arizona Builder's Exchange Data
Time Period: Projects with an Update Date within CY 18

Exhibit 6. Construction Activity Under Construction by Costar Industrial Submarket (Valuation)



c. Construction Activity in the Pre-Planning, Planning or Design Phase

Due to the presence of large, planned mixed use or industrial projects such as Attessa Motorsports, Dreamport Villages and Lucid Motors, Pinal County is somewhat of an outlier among Costar industrial submarkets, with $5.9B and 103.8M square feet planned. Ranked by valuation, the Chandler/N Gilbert submarket is the second most active for planned activity; by square feet, it is fourth behind Tempe East. The top ten Costar industrial submarkets for planned construction activity ranked by valuation and square feet are displayed in tables 22 and 23, respectively. Exhibit 7 displays the subject site along with proportional dots illustrating the concentration of planned activity by submarket.

Table 22. Planned Construction Activity by Costar Industrial Submarket (Ranked by Valuation)

Industrial Submarket	Valuation	Square Feet
Pinal County	$ 5,931,176,000	103,803,600
Chandler/N Gilbert	$ 2,404,000,000	3,338,489
Central Phoenix	$ 2,381,800,000	2,534,929
N Airport	$ 1,568,000,000	431,485
SC N of Salt River	$ 1,278,100,000	1,256,648
N Glendale/Sun City	$ 1,212,400,000	1,961,526
Tempe East	$ 896,000,000	6,714,555
Scottsdale/Salt River	$ 879,000,000	2,995,796
Mesa	$ 700,000,000	894,379
Chandler	$ 656,800,000	1,911,400

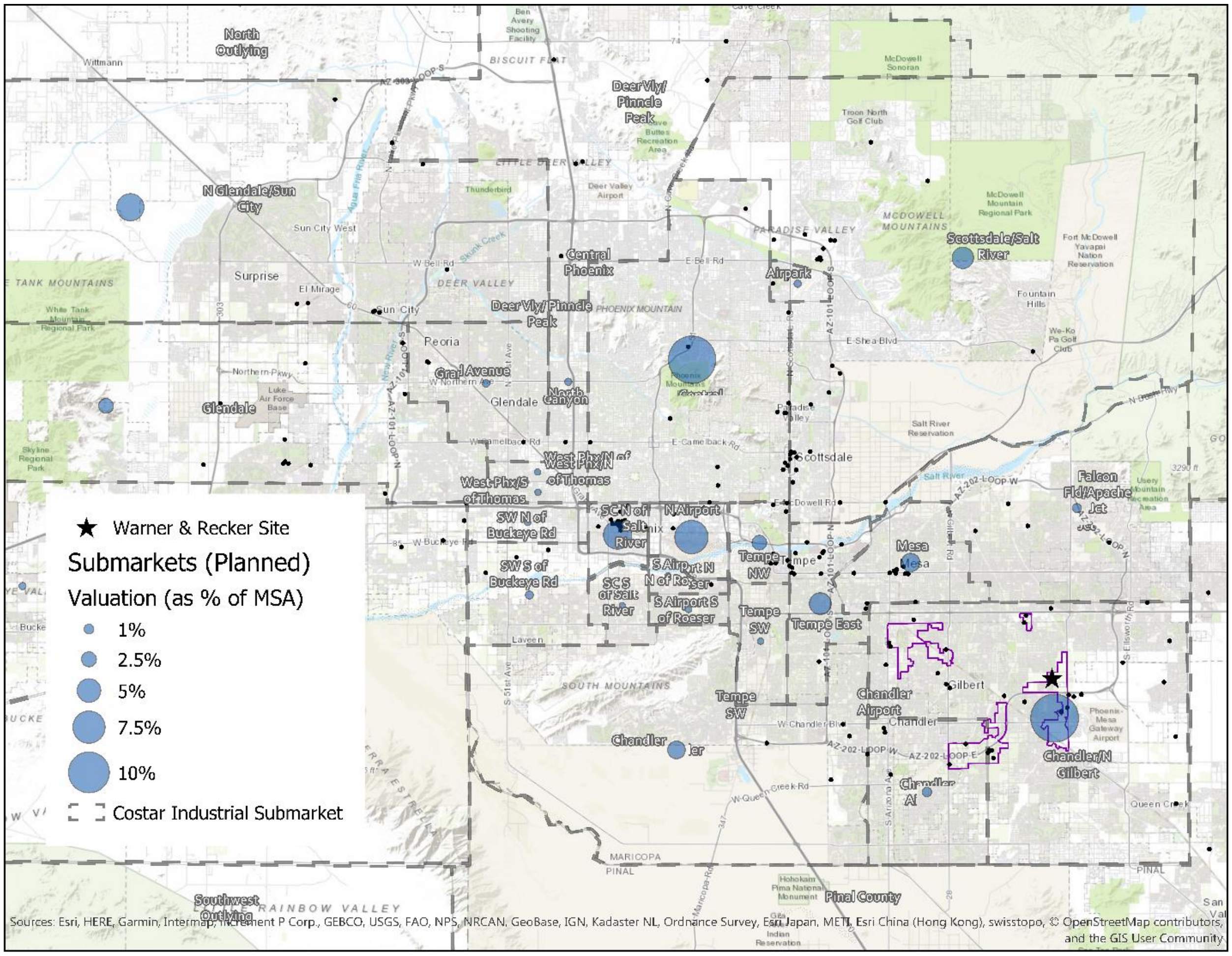
Source: OED Analysis of Arizona Builder's Exchange Data
Time Period: Projects with an Update Date within CY 18

Table 23. Planned Construction Activity by Costar Industrial Submarket (Ranked by SQFT)

Industrial Submarket	Valuation	Square Feet
Pinal County	$ 5,931,176,000	103,803,600
Goodyear	$ 46,000,000	7,809,166
Tempe East	$ 896,000,000	6,714,555
Chandler/N Gilbert	$ 2,404,000,000	3,338,489
Falcon Field/Apache Junction	$ 157,850,000	3,159,083
Scottsdale/Salt River	$ 879,000,000	2,995,796
Glendale	$ 491,000,000	2,868,538
Central Phoenix	$ 2,381,800,000	2,534,929
N Glendale/Sun City	$ 1,212,400,000	1,961,526
Chandler	$ 656,800,000	1,911,400

Source: OED Analysis of Arizona Builder's Exchange Data
Time Period: Projects with an Update Date within CY 18

Exhibit 7. Planned Construction Activity by Costar Industrial Submarket (Valuation)



e. Agglomeration and Industry Clusters

Tables 12-23 above have illustrated that a tremendous amount of activity has recently been completed, is under construction, and is planned in zip code 85212, immediately adjacent to the subject site at the NEC of Warner & Recker. In other words, the subject site is not located in an area that is struggling, but rather flourishing in terms of construction activity in Industrial, Office, Retail and Mixed Use markets. Further, an analysis of the same construction data by Costar industrial submarket showed that the Chandler/N Gilbert submarket is among the most active in the Phoenix Metro Area. But what does the location of the subject site in an active submarket mean? ***What evidence exists, aside from proximity and appropriate zoning that this will translate to demand that may encompass industrial and business park land in Gilbert's Gateway corridor?***

In the market assessment conducted on behalf of the applicant, it is noted on page 2 that the Mesa Gateway area will become a major competitor for large scale business locations. While this is used in the assessment as a reason to imply that the subject site can't compete, the economics of agglomeration and localization suggest that the intense activity nearby is a compelling reason to compete. As development and industrial locations intensify in this area, the theory holds that this site will become more attractive as firms tend to agglomerate, or locate close to one another. Why? In their landmark survey of agglomeration literature, Rosenthal and Strange (2004) identify the three main benefits of agglomeration to include knowledge sharing, input sharing, and labor pooling.[17] As firms, especially similar firms[18] begin to cluster, the density of appropriate labor and exchange of information and ideas can be a powerful draw for more companies to locate in an area.

The benefits of agglomeration are a strong enough draw to outweigh even labor and real estate costs, which is why expensive markets such as Boston and Silicon Valley not only form, but continue to attract new companies. Moretti, E (2012) in the *New Geography of Jobs* uses Walmart's Location of its internet headquarters in one of the country's most expensive labor markets, Brisbane, CA as an example. This was despite their past success running the business out of Bentonville, AR, the decision to locate in an area with a dense labor pool in the technology sector outweighed cost factors.[19] Input sharing can also result as companies agglomerate. Moretti uses the example of Ericsson, the Swedish phone company locating in San Jose to take advantage of existing supply chains that have formed around Apple, Nokia and Google.[20] Moretti notes that the Ericsson could have easily moved to Bangalore and saved considerably on wages and operating costs, but the benefits of input sharing outweighed the costs (See also pp. 139-141).

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[17] Rosenthal, S. S., & Strange, W. C. (2006). The micro-empirics of agglomeration economies. A companion to urban economics, 7-23. Retrieved from: http://purochioe.rrojasdatabank.info/Agglomerationmicro2004.pdf; Glaeser, E. L. (2010) notes that industry agglomeration results in workers communicating and learning from one another, and standardization of best practices. See Glaeser, E. L. (2010). Introduction to" Agglomeration Economics". In Agglomeration economics (pp. 1-14). University of Chicago Press. page 237; Andersson and Lof (2011) found that agglomeration of firms is associated with greater productivity stemming from, among other factors, concentration of workers.

[18] In general, knowledge sharing benefits companies within the same industry while labor market pooling has benefits that cut across industries. See Ruffner, J., & Spescha, A. (2018). The Impact of Clustering on Firm Innovation. CESifo Economic Studies, 64(2), 176-215.

[19] Moretti E. (2012), The New Geography of Jobs , Houghton Mifflin Harcourt, New York., p. 124

[20] Ibid, p. 134

In conclusion, there is reason to believe that while this site may have struggled to be developed in for employment uses in the past, the site is now within the most active submarket for new industrial location and commercial construction in the valley. Moreover, as more firms locate in this area, agglomeration will occur, as firms seek to take advantage of labor pooling and established supply chains. Rather than accepting an invitation to step aside as competition for industrial locations builds, preservation of light industrial land in the Gateway corridor for employment uses represents the Town's opportunity to compete, and thus forge its economy as the Gateway Airport/202 Submarket takes shape.

IV. Commercial Market Trends in the Gateway Airport/202 Office Submarket and Chandler/N Gilbert Industrial Submarket

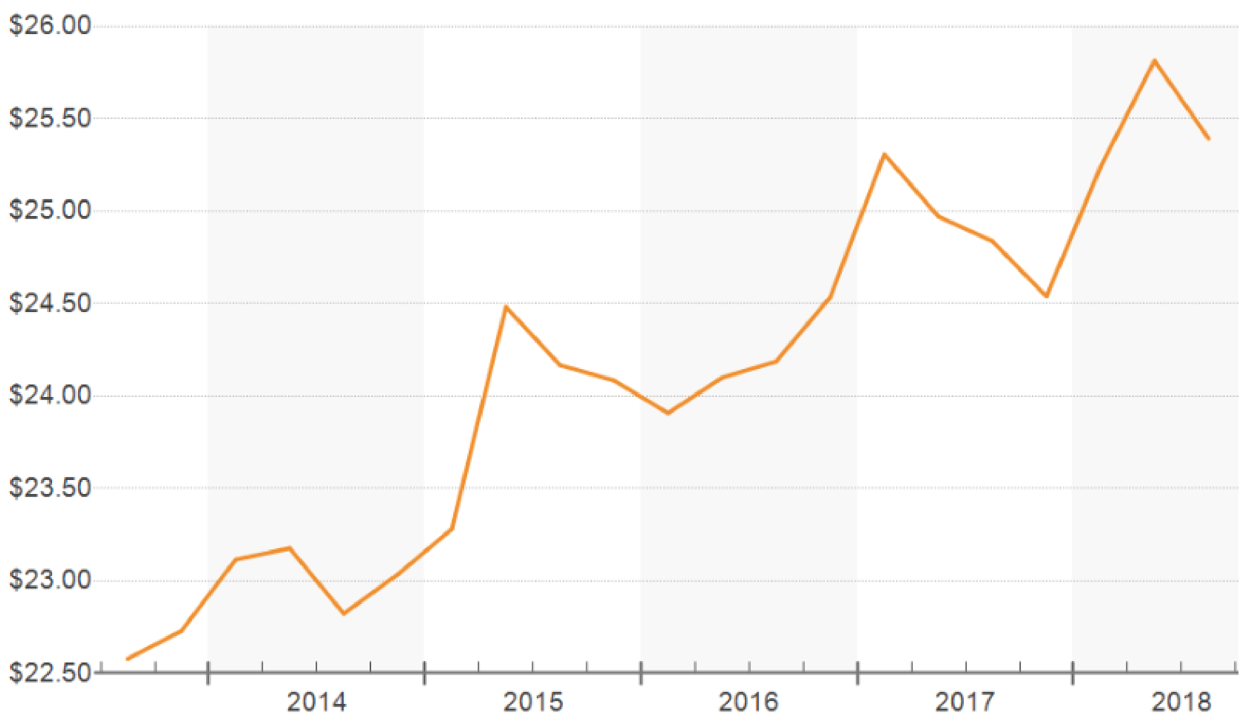
Costar market analytics describe the region surrounding the subject site as the Gateway Airport/202 Submarket for office and the Chandler/ N Gilbert for Industrial. Results from an analysis of real estate trends in this market echo the sentiment drawn from the discussion of construction trends above, namely that this region is rapidly becoming a desirable area for new commercial product.

a. Office

Office Rents

Office asking rents per square foot reached $25.39 in the third quarter of 2018, $1.48 above the five year average of $23.91. Growth in asking rents per square foot are a signal of strong demand, and despite a small downward tick in 2018Q3, have displayed a trend of consistent growth since 2013Q1, as illustrated in exhibit 8 below. As asking rents continue to rise, the market will be eager to supply more commercial real estate product (a trend we are seeing come to fruition given the large quantity of planned activity noted above).

Exhibit 8. Asking Rent per Square Foot for Office in the Gateway Airport/202 Submarket



Source: Costar 2018

Office Vacancy Rates

Vacancy rates for office in the Gateway Airport/202 Submarket peaked in 2008Q4 at 35.7 percent. While still not below the pre-recession peak (1.8 percent), vacancy rates have exhibited a strong recovery since 2008Q4, dropping to 8.6 percent as of 2018Q3.

Exhibit 9. Office Commercial Vacancy Rate for the Gateway Airport/202 Submarket

Source: Costar 2018

Office Months on Market

Another indicator of leasing demand is months on the market, or the median number of months it takes to lease a space. Costar data indicate that since 2015Q2, the median number of months on the market for office space in the Gateway Airport/202 Submarket has dropped from 26 to 9 as of 2018Q3. The full trend is displayed below in figure 10.

Exhibit 10. Median Number of Months on the Market in the Gateway Airport/202 Submarket

Source: Costar 2018

Low vacancy rates and increasing rental rates signify strong demand. As rental rates continue to rise, the market will be eager to supply additional office space; this is a trend we are beginning to see come to fruition in the large quantity of planned construction in the area (See Section III (a) and III (b) above).

b. Industrial

Costar defines the industrial submarket in which the subject site is located as Chandler N/Gilbert. This area is bounded by Alma School Road on the west, Southern Avenue on the North, Meridian Road on the East and Hunt Highway on the South. As of 2018Q3 for the Chandler/N Gilbert Submarket, current rents per square foot ($7.72) are above the five year average (7.17); vacancy rates at 4.1 percent are well below the 5-year average of 8.3 percent. The current median number of months on the market is 5.0, compared to the 5-year average of 9.4.

Industrial Rents

Industrial asking rents per square foot peaked in 2007Q4 at $9.07. Despite a small downward tick in 2018Q3, asking rents have risen consistently since 2013Q1.

Exhibit 11. Industrial Asking Rent per Square Foot in the Chandler/N Gilbert Submarket

Source: Costar 2018

Industrial Vacancy Rates

Industrial vacancy rates in the Chandler/N Gilbert Industrial Submarket are at 4.1 as of 2018Q3, well below the 5-year average of 8.5 percent. Vacancy rates have consistently trended down since 2009Q2.

Exhibit 12. Industrial Vacancy Rates in the Chandler/N Gilbert Submarket

Source: Costar 2018

Industrial Months on Market

The median number of months on the market as of 2018Q3 was 5.0, compared to the 5-year average of 9.6. The previous low was 2007Q4, at 3.0.

Exhibit 13. Median Months on Market for Industrial Space in the Chandler/N Gilbert Submarket

Source: Costar 2018

As rental rates rise, vacancy rates drop and leasing demand picks up, the prospect of supplying additional industrial space becomes more attractive to developers. All indicators above suggest that the Chandler/N Gilbert industrial submarket is approaching another period of expansion. Loss of industrial land in the Town's employment corridors will drive any resultant employment development into neighboring Towns.

V. Conclusion

Based on the staff analysis, it is recommended that the Gilbert Town Council deny the request to rezone the 124.8 acres at the northeast corner of Warner Road and Recker Road. As noted by the market assessment conducted on behalf of the developer, there is an immediate market for additional residential construction. This site, however, is the wrong site for residential development. Today an estimated 2,685 acres of undeveloped, single family residential land exists within the Town, suggesting that ample opportunity exist for the developer to consider an alternative site.

Appendix A. Proximity of the Site to Schools in the Area

a. Importance of Corporate-Educational Partnerships

The Town of Gilbert places a high value on education. In fact, according to the *2017 National Citizen Survey* of Gilbert residents, 89 percent of respondents held a positive opinion of the quality of K-12 education provided in the Town.

Recent research on higher education underscores the importance not of separating educational and employment uses, but of partnerships. Further, as higher education prices rise, and employment in skilled trades recover from the Great Recession, technical certification programs in secondary institutions fill a significant gap in the labor force.[21] Indeed, while the separation of incompatible uses was the cornerstone of traditional urban and regional planning in 20th century, communities are learning that important synergies can be formed when traditionally separate used, like education and employment, are located in close proximity to one another.

Stokes, P. (2017) argues that career and technical education (CTE) partnerships are one way institutions are crafting their value propositions, amidst criticism of rising tuition and ineffectual job-placement records.[22] A recent report from the Brookings Institution notes that CTE programs "provide hands-on training that translates directly to attractive careers upon graduation".[23] The Warner & Recker site is in close proximity to one of the Valley's premier CTE programs, the East Valley Institute of Technology (EVIT). Through over 39 programs, EVIT connects high schools with employers for apprenticeships, internships and certification programs in areas from banking, medical technologies to computer programming.

The Warner & Recker site is also in close proximity to the Power Knowledge Corridor. This initiative of the surrounding municipalities brings together an array of secondary and post-secondary institutions surrounding the Phoenix-Mesa Gateway Region, capitalizing on the agglomeration and localization effects of concentrating employment and education surrounding the Phoenix Mesa Gateway Airport.

b. Distribution of Educational Addresses throughout Gilbert

Assuming education and employment were incompatible, and only lands isolated from schools were suitable for employment, there would be little area left within the Town for employment. Schools are so evenly distributed throughout Gilbert that any employment use attracted in the future will be near a school. An analysis of educational addresses from Town GIS data found that a 0.75 mile buffer around existing schools intersects nearly all census tracts within the Town. In other words, there is no place in the Town of Gilbert where you can go to be more than 0.75 miles (Euclidean) from a school. Educational addresses with a 0.75 mile buffer are displayed in map 5 below.

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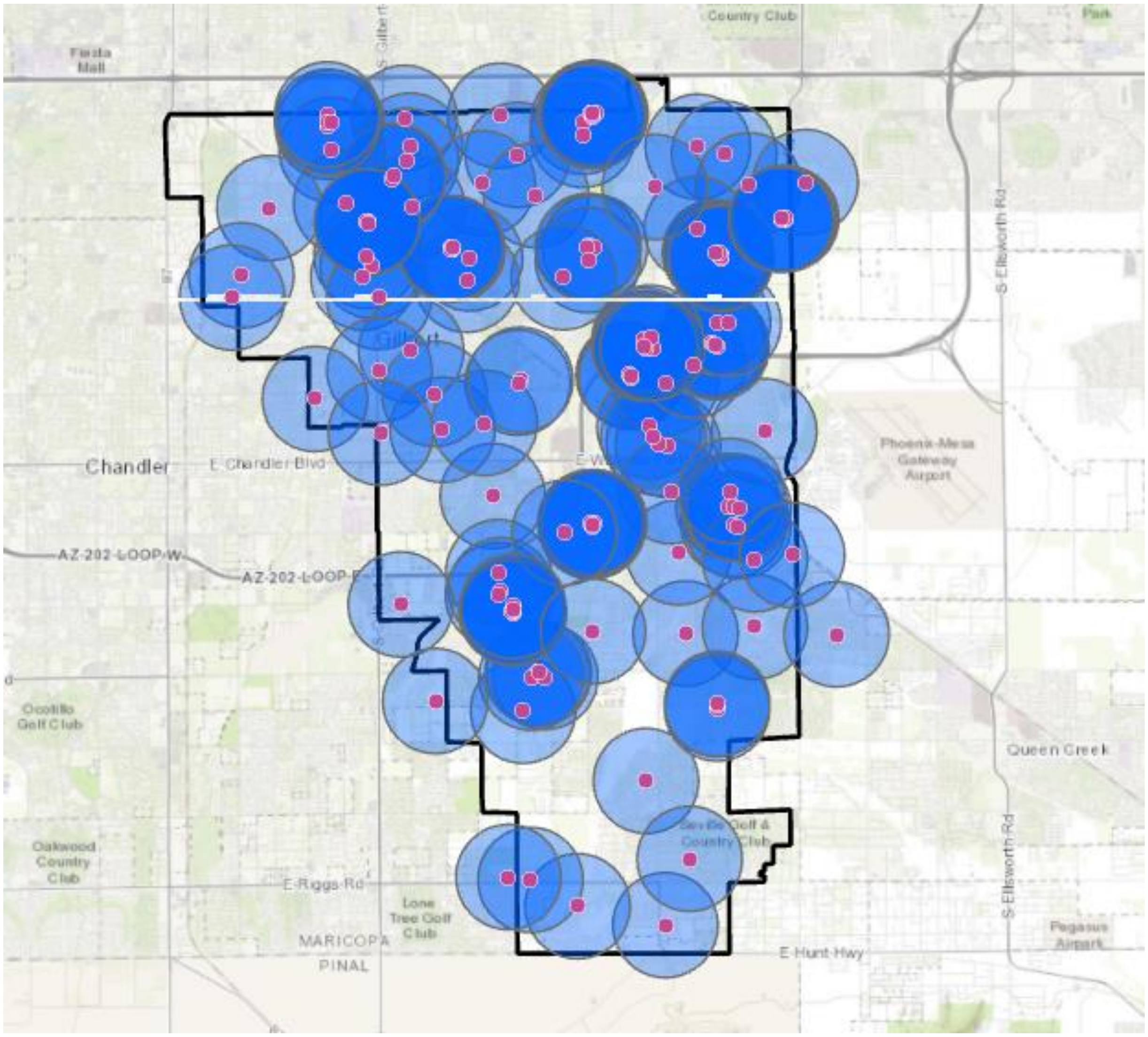
[21] According to a 2012 study by Georgetown University's Center on Education and the Workforce, such partnerships provide on-the-job training. Carnevale, A. P., Jayasundara, T., & Hanson, A. R. (2013). Career and technical education: Five ways that pay along the way to the BA.

[22] Stokes, P. J. (2017). Higher education and employability: New models for integrating study and work. Harvard Education Press.

[23] Jacob, Brian A. (2017). What we know about Career and Technical Education in high school. The Brookings Institution. Retrieved from: https://www.brookings.edu/research/what-we-know-about-career-and-technical-education-in-high-school/

Exhibit 14. Distribution and 0.75 Mile Buffer around Educational Addresses in the Town of Gilbert



Appendix B. Site Planning Considerations

An analysis of the surrounding land uses shows that a change from employment land uses to residential land uses on the subject site will impact the developable land area of the adjoining employment land uses to the east of the subject site. When an employment land use is adjacent to another employment land uses no perimeter setback is required. Conversely, when a residential land use is adjacent to an employment use, the employment use must provide a setback ranging from 25 feet to 100 feet. In this case, where the subject site adjoins Business Park, a 25’ setback would be required on the adjacent parcel and a 75’ setback would be required adjacent to Light Industrial. Increased setbacks for the adjacent General Commercial would also be increased from 20’ adjacent to non-residential to 75’ if adjacent to residential. These increased setbacks would result in a loss of approximately 113,035 square feet (2.59 acres) of developable land area on the adjacent property.

Appendix C. History of the Gateway Employment Corridor

One argument advanced by the applicant is that the subject site has an ambiguous history in terms of residential versus industrial designation, and whether it is part of the Gateway employment corridor. To be sure, while growth areas are identified in Town general plans, no precise description or official adoption of the outlines of the corridors exists. Nonetheless, a review of Town of Gilbert community profiles back to 1990 illustrates that over a nearly thirty year period, the subject site has designated for employment uses. A summary of the review is displayed below in table 24.

Table 24. Designation of NEC of Warner & Recker according to Gilbert Community Profile

Year	Industrial Park	Designated for Employment Uses by General Plan
1990		Yes
1991	Yes	Yes
1992		Yes
1993		Yes
1994		Yes
1995		Yes
1996		Yes
1997		Yes
1998		Yes
1999		No
2000		No
2001		Yes
2002		No
2003		Unclear
2004		Yes
2005		Yes
2006		Yes
2007		Yes
2008		Yes
2009		Yes

The following summary presents a timeline of the subject site's designation. The source for the timeline is the Gilbert Community profile and edition attests to the designation of the site as a) an industrial park or b) land designated by the General Plan for industrial/commercial uses. A zip file of the scanned original maps is available upon request.

- 1990-1994: The subject site is shaded as "land designated for employment uses by the General Plan". The shaded area encompasses the entire block bounded by Warner, Recker, Elliot and Power. It also extends one half mile west of Recker toward Higley Road between Elliot and Warner.
- 1995-1998: As the result of a 1994 General Plan update, the subject site bounded by Warner, Recker, Elliot and Power is still shaded as "land designated for employment uses by the General Plan", but the extension west past Recker Road has been removed.

- 1999: The subject site bounded by Warner, Recker, Elliot and Power is shaded as low density residential in the General Plan Map (typo?)
- 2000: The subject site bounded by Warner, Recker, Elliot and Power is shaded as "Multi-Use Employment" in the Town General Plan Land Use Map
- 2001-2008: The subject site is a fragmented mix of residential (medium density) extending to Recker on the West and Elliot on the North. Frontage along Warner is Employment/Industrial. The corner of Warner and Recker is Commercial. In 2006-2008 the site is referred to as the Morrison Ranch Power Tech Center.
- 2009: The subject site in its entirety, bounded by Warner, Recker, Elliot and Power is shaded as an Employment Corridor.